



Performance Expectation Plan

Fluor Daniel Hanford, Inc.
Contract No. DE-AC06-96RL13200

Performance Period:
October 1, 1998 through September 30, 1999

Lloyd Piper-Chair/Fee Administration Board

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Note: Evaluation under the PEP is separate and distinct from the evaluation under the Performance Agreements (PA). Where a PA has been established to cover a task that is also included in the PEP, the PA shall take precedence and that effort will be evaluated under the criteria established in the PA, not under the provisions of the PEP.

DOE FEE ADMINISTRATION BOARD REPORT

Fluor Daniel Hanford, Inc. (FDH) FY 1999 Performance

Contract No. DE-AC06-96RL13200

I. Summary

The RL/ORP Fee Administration Board (FAB) was convened on Monday, December 20, 1999 to review the RL Line Management and Functional Support Management assessments of FDH performance against the criteria established in the FY 1999 Performance Expectation Plan for the FDH "MEGA" incentive fee. The FAB consists of Lloyd Piper-Chair, Steve Wiegman/Jim Poppiti-Office of River Protection, Beth Bilson-Waste/Lab Programs, Phil Loscoe-Spent Fuel, Pete Knollmeyer-Facility Stabilization/Information Systems/Landlord/Infrastructure Programs, Sandy Johnson-Environment/Safety/Health Programs, Bob Tibbatts-CFO Programs, Bob Rosselli/Steve Wisness-Safeguards and Security/Technology Development Programs, Ralph Lightner-DOE Headquarters, and Jim Turi-DOE Headquarters. The "MEGA" incentive includes all aspects of FDH performance under the contract not covered by the "Critical Few" performance incentives. The maximum fee potential for the "MEGA" incentive for FY 1999 is \$12,690,000. In the Project Performance area, the FAB rated FDH's performance as "Excellent". In the area of FDH Overall Management and Support Performance, the FAB also rated FDH's performance as "Excellent". In the area of Significant Issues and Events, which is an adjustment for items not covered in the Performance Evaluation Plan, there were several activities worthy of special mention and consideration in the final determination of the recommended fee. These were: (1) retrieval of stored transuranic waste fourteen (14) months ahead of schedule, funded by cost savings, (2) initiating operation of the mixed low-level waste (MLLW) disposal cell more than eighteen (18) months ahead of the Tri-Party Agreement milestone, funded by cost savings, (3) work on the Phased Startup Initiative for spent fuel movement at K-Basins and (4) contractor support for the Tank Waste Remediation System project reprogramming action. On a composite basis, the FAB recommends an overall rating of "Excellent" for FDH with payment of 89% of the available "MEGA" fee potential.

The following major areas showed a dramatic improvement in performance in the second half of the year:

- Spent Nuclear Fuels Project
- Office of Environment, Safety and Health

In each project and functional support area, there were generally more *Positive Achievements* than there were *Areas for Improvement* and there were only a few areas with *Deficiencies*. The Direct-Cost Savings expectation and Quality Assurance areas were rated "Marginal."

The rating highlights include:

- | | |
|---|----------|
| • Advanced Reactors Transition Program | Superior |
| • Landlord Program | Superior |
| • Contractor Workforce Programs | Superior |
| • Technology Management | Superior |
| • Office of River Protection (two of six divisions) | Superior |

DOE FEE ADMINISTRATION BOARD REPORT

Fluor Daniel Hanford, Inc. (FDH) FY 1999 Performance

Contract No. DE-AC06-96RL13200

• Integrated Environment, Safety, and Health Management System (six of 14 areas)	Superior
• Emergency Preparedness	Superior
• Contract Finance/Review	Superior
• Office of River Protection (four of six divisions)	Excellent
• Waste Management Project	Excellent
• Spent Nuclear Fuels Project	Excellent
• Economic Transition	Excellent
• Safeguards and Security	Excellent
• External Affairs	Excellent
• Chief Counsel	Excellent

In addition to the project and functional area specific achievements, there were a number of major accomplishments and a few significant deficiencies noted by the FAB. The accomplishments and deficiencies are as follows:

Major Accomplishments:

- Extraordinary support to ORP in reprogramming \$53.3 million, averting layoffs and major work disruptions
- Superior management of the ORP Immobilized Low-Activity Waste activities
- Significant improvements in the safety posture in the 324/327 buildings
- Completion of 194 Y2K mission and business-essential compliance projects, and 409 non-mission-essential systems

Significant Deficiency Areas:

- Environment, Safety, and Health Quality Assurance Program not effectively implemented
(Overall program rating is “Marginal”).
- Nuclear Criticality Safety Program
(Overall program rating is “Good”).
- Major HAMMER reorganization without proper coordination and analysis
(Overall program rating is “Good”).

In summary, the FAB recommends an overall rating of “Excellent” for FDH with payment of 89% of the available “MEGA” fee potential, which equals \$11,294,100.

II PROJECT PERFORMANCE SECTION

0.0 Project Crosscutting - Nuclear Criticality Safety Program

Rating: Good

Noteworthy Results:

1. As a result of the marginal performance grade in the mid-year Performance Evaluation Plan (PEP) Evaluation, Fluor Daniel Hanford, Inc. (FDH) developed a Corrective Action Plan (CAP) designed to improve FDH performance.
2. FDH developed an assessment methodology including procedural guidance for the performance of field walk downs and has performed four surveillances utilizing this procedure.
3. FDH has shown some progress in addressing findings from "The Plutonium Finishing Plant Criticality Safety Program Review," DOE/EH-0571, dated May 1998.
4. FDH established a Criticality Safety Forum (Center of Expertise, COE), as a means (a) to establish formal improvement plans based on program elements, and (b) to address implementation deficiencies from an extent-of-condition perspective.
5. FDH has incorporated procedure enhancements for criticality safety into their Project Hanford Procedure system.

Deficiencies:

1. Planned programmatic changes and issue procedure revisions as specified in the corrective action plan in "Criticality Safety Program Review," FDH-9856848, dated August 19, 1998 have not been entirely completed.
2. Implementation of newly revised training and qualification requirements for the Criticality Safety Specialist was not completed in this evaluation period.
3. FDH has not developed criticality safety program elements, similar to the sections in ANSI/ANS-8.19 as committed in the PEP improvement plan.

4. Although FDH initiated assessment of implementation of the current criticality safety requirements and corrective actions at the major subcontractor level, the work has not matured at a fast enough rate.

B 1 Office of River Protection (ORP)

The ratings for each of the ORP Divisions are as follows:

- Program Development Division - Excellent
- Operations Program Division – Excellent
- Technical Support Division – Excellent
- Tank Farm Oversight Division – Excellent
- Tank Waste Processing and Disposal Program Division - Superior
- Waste Processing and Disposal Business Division - N/A
- Management Systems Office - Superior

1.1 Safety and Health Performance

Noteworthy Results:

1. The contractor went beyond the requirement for submitting two Authorization Basis (AB) upgrades by submitting four AB upgrades this fiscal year (FY).
2. The contractor continued to conservatively identify Unreviewed Safety Questions (USQ), provide analysis and take corrective actions. The contractor has continued to provide controlled copies of AB documents, maintaining them in accordance with the Configuration Management System.
3. Radioactive and other hazardous material exposures have been effectively managed by the contractor during the reporting period. Worker exposures continue to be maintained at acceptable levels.
4. The operating contractor experienced an issue with repetitive failures to comply with Radiological Control hold points in operating procedures. The contractor applied an appropriate level of concern, priority, and resource in resolving this issue. Adequate corrective action has been implemented to close this issue.
5. The contractor has met the requirements established under the implementation plan for the ORP Comprehensive Ergonomics Program Plan. All measurement criteria were fully met.

6. The contractor completed and fully implemented the Radiological Control Improvement Program (RCIP) plan initiatives. The contractor submitted a three-year summary report addressing program improvements, accomplishments, and areas requiring additional consideration for improvement.

Area for Improvement:

Development of a Structural Integrity Assessment Program for the Large Diameter High-Level Waste (HLW) Tanks was not completed by the contractor. A request to defer this action to the Final Safety Analysis Report (FSAR) Phase 2 Implementation period (FY 2000) was submitted by the contractor and approved by DOE.

1.2 Tank Farm Operations

Noteworthy Results:

1. The Office of Emergency Management Office of Non Proliferation and National Security rated the FY 1999 Hanford Annual Emergency Exercise "Jupiter": as Superior. Achieving a superior rating validated that the action items in the ORP FY 1999 Emergency Management Project Plan had been completed and validated.
2. The Operational Waste Volume Projection report was submitted to ORP prior to August 30, 1999. No DOE/ORP comments were submitted, and the document was acceptable to submit to Ecology to meet TPA milestone M46-00F prior to September 30, 1999.
3. The contractor exceeded baseline standards by identifying electrical code violations and expanded the workscope to correct them. The design and installation of the Continuous Air Monitors (CAMs) provides easier access for maintenance requirements. The contractor was deficient in having 22 of the 25 systems operational by September 30, 1999 due to conflicting priorities. All 25 systems were operational on October 8, 1999.
4. The contractor submitted a letter to DOE by May 15, 1999, confirming that a specific volume of waste has been transferred to Tank AW-102 and had been sampled and analyzed, and that it was ready for evaporation (Reference letter number LMHC-9952039 R2 dated May 10, 1999).
5. The contractor submitted a letter to ORP (Reference LMHC-9952039 R3 dated August 31, 1999), confirming that a specific volume of waste had been transferred to Tank AP-107 and had been sampled and submitted to the lab for analysis. The contractor included the schedule date when AP-107 would be ready for evaporation.

6. The contractor has successfully completed the workscope identified under PEP B1.2.5. The “locked-in” non-essential alarms have been properly labeled on the designated 21 annunciator panels and corresponding support documentation exists. The contractor has prepared a Master Alarm Status spreadsheet database, which provides increased oversight of the alarm panel conditions for operations and field management. The contractor has performed additional workscope beyond the original workscope, which has improved the overall Conduct of Operations Alarm Management Program.

Note: Per approved Baseline Change Request TWR-99-054, the scoping activity changed the number of alarm locations from 22 to 21.

Areas for Improvement:

1. Complete all workscope as committed. Although competing priorities complicated CAM installation workscope, completion is essential. LMHC is commended for completion of CAM installation soon after the deadline.
2. Continue to improve conduct of operations and work efficiencies.

B 1.3 Technology Planning and Performance

Noteworthy Results:

1. Technology Insertion Points are reflected in the MYWP.
2. Technology needs were delivered on schedule (often early).
3. The contractor aggressively pursued support from the EM-50 Technology Development programs.
4. The contractor deployed nine technologies in the River Protection Project during FY 1999, with almost all resulting in some cost savings to the DOE.
5. Technology development staff was committed to technology development and strives to increase participation across ORP.

Areas for Improvement:

1. Some of the Alternatives Generations and Analyses (ATAs) referenced in the Self-Evaluation are not associated with the identification and deployment of new technologies (e.g., Phase 1 HLW Feed Tank Selection, DST Primary Ventilation Upgrades for Emission Control and Monitoring).
2. The contractor should coordinate the timing of ORP technology development efforts with the EM-50 programs. For example, the contractor must identify and protect the co-funding associated with EM-50 related activities early in the program planning process.

B 1.4 Nuclear Criticality Safety Program

Noteworthy Results:

The contractor submitted all technical supporting documentation needed for ORP to submit a recommendation to DOE-HQ for closure of the Tank Farm Criticality Safety Issue. The contractor also provided technical support as requested to address questions as they arose during the DOE-HQ review process. DOE-HQ closed the Criticality Safety Issue on September 21, 1999, allowing fulfillment of Hanford Federal Facility Agreement and Consent Order Milestone M-40-12 on schedule.

B 1.5 ORP Employee Concerns

Noteworthy Results:

The contractor provided assistance in addressing ORP employee concerns associated with deployment of the Light Duty Utility Arm in Large Diameter HLW Tanks. The contractor provided support as requested, completing all actions by required dates.

B 1.6 ORP Crosscutting

Noteworthy Results:

1. The contractor did an excellent job of providing documented evidence that a RPP procedure facilitating accomplishment of reviews per DOE O 5480.31 and consistent with guidance in DOE O 425.1 was incorporated into HNF-IP-0842. The contractor performed numerous requirements well:

- The product was delivered several weeks ahead of time, after consulting with the customer five times during its development;
- The measurement criteria were met, with the exception of some specific examples regarding test and evaluation deliverables and deliverables for numerous technical reviews described in the RPP Systems Engineering Management Plan (SEMP);
- The safety, health, environment, training, performance of work, schedule, cost, planning, integration, procurement, and management requirements of DOE O 5480.31 Attachment 2 were all addressed in the procedure, rather than just the few specified requirements;
- Grading, timing, and justification methods to be used for operational product and readiness review preparations were included in the procedure, as was a baseline compliance matrix identifying items to be addressed by RPP projects and activities for those products and reviews; and
- The procedure established improved planning methods for future RPP projects and activities.

Operations personnel now state: “This kind of planning and document development far in advance of traditional preparation for Operational Readiness Reviews and Readiness Assessments is what we’ve needed all along!”

2. The contractor team did a superior job providing documented evidence that the baseline compliance matrix in a new RPP review planning procedure had been used to form RPP project and activity plans and produce four deliverables. The four deliverables met all measured requirements specified for them.

They:

- Were from more than one RPP project or activity;
- materially involved Waste Storage Division and Waste Disposal Division personnel in their development;
- were approved at the current appropriate contractor level for each product;
- had appropriate and justified tailoring of procedure requirements by developing each requirement only to the level of the current released specifications for each project or activity; and
- supplied three different deliverables from a specified list of over twenty possible alternatives, though only two different ones had to be represented in the four required products.

The contractor had frank meetings with their customers numerous times during the development of these products, informing the customers of development progress and issues well before those issues became critical. Three planned deliverables were eliminated from the FY 1999 MYWP during the course of the year, yet the contractor still delivered the four products expected without changes to the MYWP, a highly noteworthy contractor response showing superior contractor contingency planning. Other noteworthy contractor accomplishments included:

- Supplying drafts of most products so far before their due date, that the products could be modified to accommodate customer comments without significant rework;
- supplying all products prior to their due date;
- satisfying all applicable RPP requirements and following all applicable contractor procedures while meeting the requirements of this PEP;
- emplacing several effectiveness-increasing tools, previously vigorously and repeatedly rejected by contractor workers and managers, into several more RPP projects, programs, and activities than expected via a teaming approach;
- self-instigated and realistic self-evaluation and correction of issues on existing related procedures;
- modification of several management system documents to aid effective implementation of the new review planning procedure in RPP;
- a thorough and candid self-evaluation report; and
- specific plans for continuing implementation of the new procedure.

Areas for Improvement:

1. Improvement could result by increasing the new review planning procedures compliance matrix to expand on the needs for the key reviews described in the SEMP, and including more specific test and evaluation deliverables in it. This expansion can occur in future fiscal years.
2. Technical editing and/or independent quality check of the draft procedure prior to its submission to DOE for review might have reduced the rework needed to make the procedure acceptable to the customers.
3. The contractor's self-evaluation report did not mention specific opportunities for improving the procedure or related processes.

4. Future integration of the new and existing procedures for review, test and evaluation activities could ensure that requirements are flowed down, information is flowed across, and feedback obtained from across the organization and all contractual contacts. It would involve every applicable organization (e.g. ESH, QA, etc.) from identification of data needs through analysis and feedback to programs and projects.
5. Until the interim midyear evaluation, customer contact regarding progress on the four product deliverables was minimal. However, the contractor's midyear "course correction" regarding this concern was highly satisfactory.
6. The quality of the products is fine for "first-time" application. Future opportunities for improvements include:

Explore additional early checks and tests to validate requirements and verify concepts for achievability, risk reduction and cost effectiveness very early in each activity's initial planning stages.

Expanded definition of plans (logic, activities, responsibilities, schedules) to close TBDs and provide cross references and specific responsibilities for very early proof of items related to but not specifically assigned to a particular program or project of interest.

Tank Farm Oversight Division

Noteworthy Results:

1. Immediate closure of some findings and cooperation during the process of performing surveillances and assessments indicate that the contractor is committed to needed corrective actions.
2. The contractor has done a good job in the following areas: management involvement, evaluations of the plant events, improvements of the maintenance, conduct of critiques, radiological implementation and applying lessons learned.
3. The contractor performed a good job in improving the housekeeping.
4. The contractor has been effective in maintaining the proper interface with DOE counterparts in order to promote teamwork and in enhancing the safety culture in conduct of operations.

Area for Improvement:

Even though significant improvements have been noted in several areas, enhancement and improvement are necessary in some areas. This is based on the results of our assessment and analysis of the facility representative monthly reports of the past 12 months that required response through surveillances and assessments of different facilities within the River Protection Project.

Tank Waste Processing and Disposal

Noteworthy Results:

1. During FY 1999 the Immobilized Low-Activity Waste (ILAW) Performance Assessment activities were managed and executed in a superior manner. The contractor was very conscientious and timely in its communications with DOE concerning day-to-day activities in the performance assessment area, including early reviews of documents, notice of meetings, and assistance to DOE with outside groups such as the Defense Nuclear Facilities Safety Board staff and the Washington State Department of Ecology. Accomplishments included the timely identification and reporting of a long-term disposal system performance issue based on test results with a reference immobilized low-activity waste glass formulation. The glass-testing program was aggressively re-planned and implemented to address this issue in coordination with the Tank Focus Area and the ORP privatization contractor. Progress toward resolution of this issue has been significant. Furthermore, the contractor support to DOE during the review of the 1998 Performance Assessment by the DOE-HQ Low-Activity Waste Federal Review Group (LFRG) included extensive reviews of LFRG documentation and preparation of well-reasoned descriptions of the ILAW testing program and technical logic. This work contributed directly to a reversal of the initial rejection by the LFRG of the ILAW Performance Assessment. As a result, a disposal authorization statement from HQ is now expected.
2. The contractor also effectively utilized additional funding made available by DOE in the middle of FY 1999 for ILAW glass testing, and for the study of three engineering issues of considerable concern to the storage and disposal program, i.e., grout vault access, the remote handled trench concept, and the cylindrical containers for ILAW. At this time the remote handled trench concept originated by the contractor appears extremely promising as a means to significantly reduce the estimated cost for ILAW disposal. DOE has been pleased with the extent to which the contractor has worked effectively with the privatization contractor to establish clear definition of the interfaces between the privatized treatment plant and the storage and disposal facilities for Immobilized High-Level Waste (IHLW) and ILAW.

Program Development Division

Noteworthy Results:

1. The contractor has taken an active role working with the Washington State Department of Ecology (Ecology) in the Characterization Partnering Team. The Partnering Team contains new members from LMHC. The contractor team took a proactive approach in working with Ecology and DOE and successfully developed the FY 2000 Technical Sampling Basis and Waste Information Requirements Document (TSB-WIRD), which is an ORP deliverable to Ecology under the Tri-Party Agreement Milestone M-44. The FY 2000 TSB-WIRD was accepted by Ecology on October 11, 1999.
2. The contractor did an excellent job of keeping its staff trained in the operation of equipment. Weekly classes were conducted in the operation of sampling equipment and safety procedures (i.e., OSHA, electrical, etc.).
3. The contractor completed the sampling of Tank 241-SY-101 on March 30, 1999. This tank experienced tank waste level growth due to the retention of gas in the solid waste material. To assist in the resolution of this safety issue, the contractor was required to take three full-depth core samples, which included retained gas samples, at multiple levels within the tank, analyze the samples, and provide the data analyses to the Safety Project. Additionally, sampling operations had to be coordinated/ conducted around the required operation of the tank waste mixer pump. The contractor completed this work under unseasonably bad weather conditions that persisted throughout the winter months. All analyses of Tank 241-SY-101 were completed by September 28, 1999.
4. The contractor has successfully completed the design, operational testing, and deployment of a new rotary mode sampling bit design. The new drill bit increased the recovery of sample material.
5. The Characterization Project's Technical Basis and Reports Group implemented an automated system to develop Tank Characterization Reports (TCRs). The TCRs are one of the Characterization Project's deliverables to Ecology under Tri-Party Agreement Milestone M-44. The use of automated TCRs reduced report production costs and increased the efficiency of the Technical Basis and Reports Group. The Technical Basis and Reports Group completed 17 TCRs, including 10 automated TCRs and 7 traditional paper TCRs.

6. The contractor provided excellent support to the Privatization Project by meeting the tank waste sample material requirements documented in BNFL's Interface Control Document 23. This workscope required the contractor to sample and prepare for shipment to BNFL a total of 25 liters of supernate and 2.7 kilograms of solids, which were taken from a total of eight tanks. In addition, due to a miscommunication between ORP and BNFL, the contractor was required to supply additional sample material from Tank 241-AZ-102. To meet the BNFL contractual requirements for sample material delivery, the contractor had to react in a short time frame, sample the tank, prepare the sample for shipment, and ship the sample to BNFL. The contractor successfully completed this additional task.
7. The contractor provided excellent support for closure of Defense Nuclear Facilities Safety Board (DNFSB) Recommendation 93-5. A key document needed for closure, "Technical Basis for the Determination that Current Characterization Data and Processes are Sufficient to Ensure Safe Storage and to Design Waste Disposal Facilities," was delivered in a timely manner. The document appears to be well accepted by the DNFSB and staff. The contractor was also responsive to DOE-ORP requests for support in preparation of correspondence related to closure of the recommendation.

Areas for Improvement:

1. Attention should be focused on solving sampling system problems that cause significant system malfunctions/outages and poor sample recovery. During FY 1999, approximately 69 eight-hour shifts were lost due to bad weather. However, sampling system equipment failures caused the loss of approximately 58 additional eight-hour shifts. This produced a cascade effect, which reduced the analytical workload in the laboratory. The combination of bad weather and equipment failures caused the Characterization Project to complete its core sampling and analytical laboratory commitments for FY 1999 with only two days to spare. In FY 2000, ORP expects the contractor to significantly improve its sampling system reliability. Increase in system reliability and productivity is necessary to meet disposal sample requests for FY 2001 through 2006.
2. Quality Assurance/Quality Control needs to be applied more stringently to the Technical Basis and Reports, and Equipment Engineering elements of the Characterization Project. The Draft Tank Characterization Reports delivered for ORP review still contain format errors. Additionally, Equipment Engineering did not have the required level of quality control inspection of sampling system drill string that was purchased from a commercial vendor. The out-of-specification drill string caused an unnecessary contamination of sampling system operations personnel when sampling Tank 241-AZ-102. On a positive note, the contractor

recovered from this contamination by developing a special glove bag system that provided containment for the sampling system operations. The sampling event was then completed.

3. Radiological contamination awareness and work processes require improvement. Three personal contamination incidents occurred during the first six-month rating period in FY 1999 as compared with two incidents in the same period of FY 1998. However, five such incidents occurred during the last six months of the period, for a total of eight incidents in FY 1999. This compares to six incidents in FY 1998-an increase of 33%.

Technical Support Division

Noteworthy Results:

1. The contractor pursued implementation of the Tank Farm FSAR on a schedule that allowed transition from the Basis for Interim Operation shortly after the end of the fiscal year. This will result in a cost savings associated with not having to maintain two Authorization Basis (AB) documents. This also will result in efficiencies in administration and performance of the USQ evaluation process.
2. The contractor pursued aggressive mitigation activities to address crust growth and gas retention issued in Tank 241-SY-101. Investigative activities implemented in May 1999 may have contributed significantly to a reduction in the crust level increase and growth rate.
3. The contractor initiated efforts to identify areas for improvement in the Tank Farm AB that could contribute increased efficiencies in Tank Farm Operations.
4. The contractor submitted a revised Standards/Requirements Identification Document (S/RID) for DOE approval, and initiated implementation of this S/RID on a schedule that supported the Integrated Safety Management System (ISMS) Phase II Verification.
5. The contractor submitted a declaration of readiness for implementation of the ISMS Phase II Verification. The Contractor successfully completed the Phase II Verification.
6. The contractor provided extraordinary support in transitioning the Tank Farm Operations Contract to LMHC. Both organizations worked with DOE to ensure all safety program requirements were adequately transferred to the new contract platform without interruption in operations.

7. Day-to-day communications between TSD staff and the contractor has increased in effectiveness.

Areas for Improvement:

1. Even though the contractor has completed the ISMS Phase II Verification successfully, the contractor needs to aggressively pursue corrective action implementation. In conjunction with this, the contractor is strongly encouraged to increase its efforts in developing and implementing the Voluntary Protection Program. Both of these activities will contribute to reliability and efficiency in Tank Farm Operations as we move into the waste retrieval and transfer mission.
2. Changes in the Tank Farm AB and AB Management process need to be identified and implemented as needed to provide a basis for safety, effective, and reliable tank waste retrieval and feed. This includes the need for revision of control strategies to prevent defaulting to shutdown of operations if not required.

Management Systems Office

Positive Achievements:

1. A core group of the contractor employees made an extraordinary contribution to approval of the \$53.3M ORP reprogramming in FY 1999. The contractor worked hard to ensure cooperation among the contractor, Richland Operations Office (RL), and ORP staff working on the reprogramming, and provided key leadership at difficult points. The contractor consistently made clear their expectations about what the company needed from RL to prevent reprogramming-related layoffs. LMHC staff laid the groundwork for the reprogramming with excellent analysis that stood the test of time. Their proposals for “uses” and “sources” in September 1998 did not change significantly throughout the process. LMHC consistently provided responses to numerous Headquarters (HQ) and congressional questions in quick turnaround and with high quality. The support DOE received from these people, and their remarkable professionalism helped to avert a crisis in which large numbers of layoffs and major work disruptions would have been the consequences. This is an excellent example where people acted as a true team to commit themselves to the pursuit of a common objective.
2. In the last quarter of FY 1999, ORP co-located its staff and several contractor support staff to the 2440 Stevens Center Building. A competent team consisting of FDH, LMHC, DynCorp, and DOE personnel researched available office space, made all the arrangements for the move, and accomplished this complex task cooperatively, efficiently and on schedule.

3. The contractor's cost and schedule performance has been superior in FY 1999. The contractor performed 99% of the scheduled work within 2% of the budget, met 13 out of 15 TPA milestones, met 4 out of 4 DNFSB milestones, and is on track to earn most of the fee available under the FY 1999 ORP Performance Agreements.

B 2 Waste Management Project

Overall Rating: Excellent

Positive Achievements:

1. Management of resources to accomplish high-priority objectives and cost control was excellent.
2. The Automated Job Hazard Analysis (process) (AJHA) has been superior. RL is pleased by the contractor's ability to get involved. Solid Waste and Laboratory Operations have performed in an excellent manner in the implementation of the AJHA process. Observed AJHA's have been thorough, conscientious, and have included the appropriate personnel. The utilization of all crafts and technical experts has led to superior AJHAs.
3. The contractor has incorporated many of the comments from the mid-year PEP observations into the baseline.
4. The contractor met TPA Milestone M-32-02 ahead of schedule by completing the secondary containment of the radioactive waste tanks at the 222-S Laboratory. This accomplishment was due to excellent teamwork between project and operations staff, and was achieved while maintaining services to 222-S and despite significant operational and regulatory challenges. In addition, the contractor chartered and completed an excellent compliance review on TPA Milestone M-32-02 projects. The review provided assurance that the projects met the requirements of the regulations, and that the basis for compliance is documented.
5. Transuranic waste retrieval operations were initiated early with in-trench assays performed on 269 drums.
6. Mixed Waste Trench 34 commenced disposal operations prior to the end of FY 1999. This completed Milestone M-91-13, 21 months ahead of schedule.
7. The new process for in-place stabilization of category 3 waste demonstrated superior engineering and appears to result in not only a cost savings for the disposal of the waste, but a large improvement in the utilization of the trench space.

8. Generator Services has provided excellent support to B&W Hanford, Inc. in support of the 324 B-Cell clean out. In particular, the use of existing high integrity containers for the storage of the waste in the burial grounds appears to be a very cost effective method of managing the waste and demonstrates superior planning and engineering.
9. The contractor has been very proactive in investigating options and initiatives for the storage of K-Basin sludge, most notably in T-Plant.
10. The contractor has shown improvement in the Corrective Action Management Program and is to be commended for providing technical leadership and knowledge for the sitewide implementation of its Corrective Action Management System.
11. Generator Services has shown excellent support for sitewide waste management initiatives including the clean-out of Building 607 and the paint shop area of B-Plant.
12. The contractor's support for technology development has been excellent. Participation in the DOE Complex-Wide Mixed Waste Focus Area, as well as the Hanford Site Mixed Waste SubGroup has been excellent. New sources of funding were identified and relationships with other sites have improved steadily.
13. The contractor has provided excellent service in Pollution Prevention/Waste Minimization. The Public Outreach and Partnership and Affirmative Procurement efforts won Hanford the National DOE Award and the White House Closing the Circle Award respectively. The contractor's commitment to Pollution Prevention/Waste Minimization continues to be identified in meeting the Secretarial Waste Reduction Goals, providing a good baseline tracking and reporting system and working with other subcontractors to reduce waste.
14. The contractor significantly improved upon its midyear status on management assessment. The contractor completed management assessments totaled 108, with only 90 originally planned.
15. Implementation of the Integrated Safety Management System has been deemed to be superior. The contractor has taken the program approach to ISMS, instead of a facility approach.

Areas for Improvement:

1. The contractor needs to demonstrate cost reduction or avoidance of cost for organic analyses from the integration effort and for other analyses and capabilities provided by their onsite laboratories after consolidation.

2. Continue improvement with the focus on performance-based emergency drills, as well as a move to a total effective Emergency Planning Program. The contractor needs to continue to tackle specific issues such as lock and tag and labeling.
3. The contractor should be more proactive in detecting and correcting compliance issues e.g., Diesel spill issue at the Central Waste Complex; Building Emergency Plan issues.
4. Improvement is required in the work planning process with respect to regulatory issues. Three examples are: (1) For TRU retrieval operations, regulatory questions concerning the placement of the drums in the Central Waste complex were not addressed prior to the commencement of drum assay efforts. (2) The contractor was unable to decisively address regulatory issues dealing with the initiation of 90-day storage activities at 2401-W and that the issue has yet to be resolved. (3) Planning related to the recovery from the PCB contamination of 219-S Tank 104 has been slow and resource intensive. Despite initial identification of the problem in May and the need to address the problem to avoid significant impact on 222-S operations, the final treatment process is still not addressed.
5. Improvement is required in the work planning process with respect to the effort level required for the completion of work. Four examples are: (1) Although RL agreed that the quality of the review activities for the start-up of 2706-T was improved by the change of required date of completion, contractor failed to identify and plan required start-up activities effectively early in the process. (2) The level of work required to initiate 90-day storage pad operations at 2401-W was underestimated in the planning stages and even in the absence of regulatory problems would have been delayed beyond the original planned completion date. (3) The execution of work required for the hull restoration of Naval Reactor Compartments was drastically delayed and significantly underestimated. Although some delay and cost overruns can be attributed to Navy guidance, the contractor/Fluor Daniel Northwest failed to adequately plan the work or foresee possible problems in completing the work.
6. The level of technical editing in the Authorization Basis Documents formally submitted to RL requires improvement. For example, the project W-259 Safety Assessment contained a number of editorial errors that should have been corrected prior to submission.

B 2.1 Solid Waste

Noteworthy Results:

1. The contractor is maintaining and still continues to aggressively oversee the ATG Corporation on their contractual commitment to treat, certify, and accept 560 cubic meters of Contact Handled Mixed Low Level Waste by September 30, 1999 which was contingent on ATG obtaining its RCRA/TSCA permit for construction and operations. The contractual objective was tied to Interim Milestone M-19-01, which was to initiate low level mixed waste treatment by September 30, 1999. As early as March 1999, the contractor had already identified the necessary actions to stage/ship the debris boxes with PIN numbers to be transported to ATG. This contractual commitment will not be met as the latest ATG schedule shows initiation of treatment by December 22, 1999. However, the contractor has been closely tracking the progress of permit issues through direct participation with Ecology and ATG, to identify schedule problems and thus to prepare contingency plans. This direct interfacing and early identification of ATG schedule slippages enabled the contractor to implement these contingency plans so that the Interim Milestone M-19-01 was successfully met by crediting previously treated mixed waste (345 cubic meters) after close consultation with Ecology. An added bonus from this crediting effort is that it enabled RL to earlier meet its FY 2000 Milestone M-19-00 of cumulative treatment of 246 cubic meters. The contractor is also aggressively pursuing liquidated damages from ATG for not meeting contractual commitments and for the fact that the latest treatment schedule lacks sufficient details to render it questionable. Throughout this period, the contractor briefed RL on these emerging actions so that decisions were known. The contractor's performance in this area is superior.
2. The contractor coordinated very closely with ATG to resolve numerous issues. WMH recognized the permitting delays and initiated an aggressive subcontractor management strategy to ensure ATG and the regulators understood the importance of this treatment contract.

B.2.2 Liquid Waste

Noteworthy Results:

1. The biennial tritium treatment technology report was submitted by the contractor to RL well ahead of schedule. The 1999 tritium report provided an updated evaluation of separation technologies and other mitigation techniques to control tritium in current Hanford Site liquid

effluents and existing groundwater. In addition, this report satisfies the *Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement) Milestone M-29-05F (Ecology, EPA, and DOE 1996)*.

2. The contractor demonstrated an outstanding effort for cooperation with the ORP organization to better define the interface equipment boundaries between the 242-A Evaporator and ORP responsibilities. These changes have been actively addressed via engineering change notice in both the Tank Waste Remediation System Basis for Interim Operations, (TWRS BIO) and the 242-A Evaporator Safety Analysis Report (SAR).
3. The contractor fully implemented use of the AJHA process in work planning.
4. The contractor established an Employee Safety Council that promoted worker involvement in identification and resolution of safety issues.
5. The contractor significantly improved emergency preparedness training and drills.
6. The contractor improved operating efficiency of the 200 Area Effluent Treatment Facility by reducing chemical consumption costs and amount of mixed waste generated and improving worker safety. The contractor also effectively planned and coordinated 242-A Evaporator campaign 99-01.

Area for Improvement:

The contractor needs improvement in its planning and integration for activities requiring a coordinated effort between two or more projects, as evidenced with the delays incurred during readiness planning for 242-A Evaporator operations start-up. Better planning and integration would have triggered response actions to potential problems (process equipment jumper assembly installation) at an earlier stage instead of discovering these potential impacts during operations preparation activities and incurring unnecessary overtime for resolution.

B 2.3 Analytical Services

Noteworthy Results:

1. The contractor has achieved excellent performance during the implementation of the RL midyear PEP write-up regarding laboratory integration. Special Analytical Service (SAS) has had its work brought into the 6266 Facility, increasing integration while cutting costs.

2. The contractor effectively integrated the Special Analytical Services personnel, equipment and programs into the Waste Sampling and Characterization Facility, resulting in over \$1M annual savings at a one time cost of \$380,000 in FY 1999 and FY 2000. The savings stem from reduced staff and facility costs as well as efficiencies in radiation protection, waste management, and records management. As these costs were formerly borne by the clients, the savings will be realized in reduced cost of onsite laboratory analysis in FY 2000. In FY 1999, an overrun on the Waste Isolation Pilot Plant (WIPP) work was avoided. The integration resulted in more effective use of the Waste Sampling and Characterization Facility (WSCF) and staff, and leveling of the workload. This integration required excellent teamwork between Numatec, FDH and WMH, and was done while supporting all clients. An indication of the effectiveness of the integration was the performance on the WIPP samples and superior results on the WIPP pre-audit visit. The TRU program now has a secure capability in WSCF. Additional benefits from use of the SAS equipment with 222-S and WSCF include reduced need to buy parts or new equipment.

Areas for Improvement:

1. In a small percentage of cases, early communications with analytical services customers were inadequate to establish a firm technical and administrative basis for the work and to accurately report the data. Improvement is needed in application of appropriate resources at the beginning of projects to ensure that the statement of work is adequate from an analytical chemistry and administrative (reporting) perspective. In several instances over a short period, reporting systems failed to provide timely notice of results in accordance with commitments to the customer.
2. Contractor performance on conduct of operations, radcon and environmental protection resulted in significant findings by DOE-RL and the contractor was forced to utilize a large quantity of resources to close the Washington State Department of Ecology Notice of Correction.

B 2.4 Transportation and Packaging

No Noteworthy Results or Areas for Improvement identified.

B 2.5 Pollution Prevention

Noteworthy Results:

The contractor has effectively utilized WMH crosscutting services to maximize progress towards sitewide, critical outcomes, and ensured pollution prevention goals were met for

minimizing waste generation. The contractor has worked to minimize, streamline, and institutionalize the Waste Minimization Program in order to reduce out-year costs while maintaining performance of the program. The contractor continued excellent performance in contributing to pollution prevention and energy efficiency. The contractor issued the FY 1998 final performance measures in October 1998. The Hanford Site exceeded the FY 1998 waste reduction, sanitary recycling, and affirmative procurement goals. The contractor completed the "CY 1998 Annual Report on Waste Generation and Waste Minimization Progress, Hanford Site" four days ahead of the required date of March 1, 1999. Cost savings in excess of \$35 million and waste reductions of over 10,200 m³ (13,400 yd³) of radioactive waste, 270 metric tons (300 tons) of hazardous waste, 57,800 m³ (15.3 million gallons) of process waste water, and 7,100 metric tons (7,800 tons) of sanitary waste were identified. The contractor completed the development of an Absorbent Matrix for use on the P2 Home Page. The matrix includes approximately 75 absorption products and has links to supplier web sites. The matrix will allow generators to select the appropriate absorbent for their application and reduce waste volumes.

B 2.6 Crosscutting

Noteworthy Results:

1. The contractor performed in a superior manner to coordinate the receipt of Parks Township waste in accordance with the limits of a Department of Justice consent agreement.
2. The contractor performed an excellent Integrated Contractor Assessment Team assessment of Quanterra to address waste handling issues.
3. The contractor performed excellent work in addressing midyear deficiencies.
4. The contractor has taken the lead on K-Basin Sludge breakthrough thinking.
5. The contractor fully implemented AJHA into job planning.
6. The Waste Management Project efficiency and schedule was improved through several efforts including participation in the contractor/DOE Environmental Management (EM) Integration efforts; interfacing with the site and National Science and Technology programs; development and improvement of the site and project traffic plans; interfacing the "regional sites" on cooperative efforts and leading the continued development and implementation of transportation, storage, treatment and disposal integration efforts.

1. The contractor has participated in Low-Level Waste (LLW), Mixed Low-Level Waste (MLLW) and Transuranic (TRU) waste stream workshops as well as in several workshop sessions for High Level Waste (HLW), Environmental Restoration (ER), spent nuclear fuels, and transportation and packaging. In addition, the contractor has been active in support of the Environmental Management Integration (EMI) by membership on the Project Management Team. Specifically, in support of the complex-wide EMI, WMH and WMTS (WMNW) employees participated in 11 waste stream workshops; two transportation and packaging workshops; one technology deployment workshop; two regional workshops; three project management team meetings; six national committee/forum meetings; and two EMI core team meetings.
2. The contractor worked with the Idaho National Laboratory (INEEL) on the thermal treatment of about 100 drums of MLLW debris at the Waste Experimental Reduction Facility. Treatment was completed and arrangements have been made to return the non-incinerables and ash residues to Hanford for treatment and disposal. Estimated cost savings from this activity were \$200,000.
3. In FY 1999, the updated National baseline disposition maps incorporated technology insertion points. In this way, specific technology development/deployment needs have been identified.
4. As a result of the visits to and discussions with the Savannah River Site and Los Alamos regarding TRU retrieval operations, the contractor has established a new TRU retrieval baseline. The benefits of this include a simpler hands-on approach and reduced costs. Retrieval operations began in FY 1999 and are being performed successfully.
5. Current waste volume forecast information was incorporated into updated, more comprehensive Hanford Site disposition maps. Each waste generator reviewed and updated the maps for its facilities to be consistent with the Multiyear Workplan. Not only are the waste volumes detailed in the baseline (project baseline summary, etc.), but organizational modifications are detailed as well. Programmatic adjustments can now be accomplished in a traceable manner for each of the streams.
6. The contractor continues to be an active participant in the DOE-led EM Integration efforts by providing members of the DOE Core Team to serve as interfaces with the site and national science and technology programs subject matter expert (SME) on the Transuranic Waste Program Area Integration Team (PAIT); and SME on the Low-Level Waste/Mixed Low-Level Waste PAIT.

7. The contractor submitted a revised Hanford Waste Management Program Strategic Plan to RL-Waste Programs Division that incorporated updated strategies for supporting site and project mission objectives. The update of the WM Project Strategic Plan is superior, and has been approved by all three signatory parties (RL, FDH, and WMH).
8. The contractor improved workplace safety through the following: the contractor has actively participated in the PHMC Quality Improvement Program (QIP) initiative providing participants to all 20 QIP teams and leads for four of the teams: The contractor seems to be strengthening its Assessment Management and Corrective Action Management Programs. The contractor continues to institute the principles of ISMS to improve workplace safety through implementation of the contractor's ISMS Implementation Plan. Injury case management continues to be a high priority. The Occupational Safety and Health Act recordable injury case rate continues to improve. Safety Program worker involvement and safer working practices in the field have significantly increased. A worker injury investigation program was continued and provides upgraded employee knowledge of injury investigation techniques and cause analysis.
9. The contractor provided excellent analytical services to onsite customers. Customer satisfaction was above 90% for the year. Work for ORP Tank Characterization and Privatization was superior, schedules were maintained despite uneven workloads, and the data packages required for ORP reports were of superior quality and timeliness. Critical errors were less than 50% of the FY 1998 total (7 vs. 16). The contractor also met very demanding schedules for sample extrusion and preparation for shipping to the privatization contractor. Results on performance evaluations samples were superior. Quality of technical support to revise the statement of work for 324-B cell racks was excellent, a model of partnering with the project. Results of the WIPP review that preceded the certification audit were excellent, with superior performance on the performance demonstration samples.
10. Generator Services has performed superior services in its effort to support the Chicago Operations Office, both in the management of the Ames and Argonne National Laboratory cleanouts, as well as their activities related to the Brookhaven National Laboratory Form 6.
11. Overall, 222-S Laboratory has shown significant improvement in Resource Conservation and Recovery Act of 1976 compliance issues. The 224-T Facility was successfully transferred to the Office of Assistant Manager for Facility Transition. This addressed unresolved issues related to ownership of the cell side and will lead to detailed characterization of the cells.
12. The 607 Facility cleanup was completed for DynCorp. Cleanup exceeded regulatory expectations.

13. Achievements in communication and integration included:

- (a) The contractor provided a senior manager as the lead on a breakthrough opportunity core team to integrate all waste treatment, storage and disposal activities at the Hanford Site search for cost and schedule opportunity identification.
- (b) The finalization of the B&W Hanford Company agreement for Generator Services that led to further integration of generator services.
- (c) The support to Bechtel Hanford, Inc. to conduct a Value Engineering study that focused on five waste streams to identify pollution prevention opportunities. Three of the opportunities identified significant potential waste reduction and cost savings of over \$38 million.
- (d) The contractor senior management led the performance teams related to actions on EH-10 follow-up on Nuclear Safety, Criticality Safety, and Occupational Safety.

14. The contractor has performed excellent implementation of mid-year PEP observations by improving workplace safety through the following:

- (a) Strong implementation of the ISMS.
- (b) Strong implementation of the AJHA process. Implementation included active RL participation.

Area for Improvement:

In a small percentage of cases, early communications with analytical services customers were inadequate to establish a firm technical and administrative basis for the work and to accurately report the data. Improvement is needed in application of appropriate resources at the beginning of projects to assure that the statement of work is adequate from an analytical chemistry and administrative (reporting) perspective. In several instances over a short period, reporting systems failed to provide timely notice of results in accordance with commitments to the customer.

B 3 Spent Nuclear Fuels (SNF) Project

Overall Rating: Excellent.

Ratings by Expectation:

Expectation: Process quality Change Control and Document Control in a timely manner. Rating: Good.

Expectation: Develop a management system and implementation capable of providing accurate financial and scheduling information from the Basis of Estimate (BOE) to the total project level.

Rating: Superior.

Expectation: Document performance of financial control and analysis by centralized financial and scheduling system. Rating: Excellent.

Expectation: Develop a process system that identifies cost savings and cost avoidance. Rating: Good.

Expectation: Document performance of financial and schedule contingency application and management. Rating: Superior.

Expectation: Implement a Corrective Action Management System that effectively identifies the significance of deficiencies, develops realistic commitments for resolution, tracks action and documents closure. Rating: Good.

Expectation: Develop and obtain RL approval and implement a detailed Plan of Action (POA) by February 28, 1999, that will address line ownership of the SNF quality assurance program in the areas of work activities supporting the SNF operations, the process for establishing QA requirements for procurements of equipment and services, and implementation of Management Self Assessments (MSA) in quality-related activities. Rating: Excellent

Expectation: Demonstrate management improvements through periodic evaluations by an independent outside group of management experts. Rating: Good

Expectation: Technology Planning and Performance. Rating: Good

Noteworthy Results:

1. The contractor has performed Quality Change Control and Document Control in a timely fashion. The Project has established a Baseline Review Board to expedite the processing of Baseline Change Requests. This process area operates within a 10 working-day period thereby reducing the average site turnaround time by 50 percent.

2. The contractor has developed a management system and implementation capable of providing accurate financial and scheduling information from the basis of estimate to total project level. The contractor has established a fully integrated database with connectivity between the P3 Scheduling System as well as the Hanford Data Integrator. The new system provides the project with the ability to respond quickly to financial or schedule questions. It also enhances the project's ability to analyze data to support project decisions.
3. The contractor has provided documented performance of financial control and analysis via a centralized financial and scheduling system. The contractor has also implemented a centralized electronic database that identifies budget, funding, and scheduling status. The electronic Deficiency Notice Log identifies pending scope changes and provides a real-time perspective of the project status. The Project Director and direct reports perform monthly reviews in order to discuss the project costs, schedule, and direction.
4. The contractor provided documented performance of financial and schedule contingency application and management. The contractor has developed an excellent accounting and tracking system to maintain real-time contingency balance status. This data may be accessed electronically.
5. The contractor has issued a weekly contingency Status Report which contains the following data: contingency balance at the start of the fiscal year, a list of contingency issues from the balance, justification for the issues, and name of authorizing official. This data resides in a central database and is available at any time. As agreed to by RL-SFO, and in order to coincide with the internal Baseline Change Request processing cycle, the formal report is issued every two weeks.
6. The contractor has completed the fiscal year within a -2.7% schedule variance and -0.04% cost variance; well within the allowable tolerances of $\pm 7.5\%$ and $\pm 5\%$, respectively.

Areas for Improvement:

Items Subsequent to Mid-Year Review:

1. The performance indicator for regulatory issues was not developed. The rationale provided was that the contractor was going to monitor Occurrence Reports that were regulatory in nature. This approach does not cover all the population of regulatory issues. A performance indicator needs to be developed.

2. The contractor needs to improve the quality of Baseline Change Requests (BCR) submitted to RL for review and approval. Although great headway has been made in both quality and timeliness, additional focus should be placed on the logic and continuity during BCR preparation.
3. Additional training should be provided to the Budget Analyst and Cost Account Managers. Some training was conducted, but additional training needs to focus on estimating and resource management

Mid-Year Review Items:

1. The contractor should demonstrate management improvements through periodic evaluations by an independent, outside group of management experts. For the mid-year review, the contractor proposed to change the outside experts to in-house management evaluators. This proposal was rejected.

Status: To date, no action has occurred on this item.

2. The contractor should implement a Corrective Action Management (CAM) System that effectively identifies the significance of deficiencies, develops realistic commitments for resolution, tracks action, and documents closure. At the Midyear review, the CAM implementation on the SNF project was below expectation with a course correction needed. Examples of CAM issues include:
 - Failure to meet commitment to EH-10 to conduct surveillance of configuration management training and program implementation in response to NTS-RL-PHMC-SNF-1998-0001, Design Control and Procurement QA Program Implementation Discrepancies.
 - Failure to implement committed corrective action addressing 97-SFD-283, Quality Assurance Assessment of Price Anderson Amendment Act Corrective Action Management and Request for Action. A review of the original issues during February 1999 identified that the original issues were still outstanding.

Status: The SNFP has implemented corrective actions in accordance with the Secretary of Energy Compliance Order that address this issue. RL is in the process of reviewing this issue to close Deficiency Tracking System actions and the Non-Compliance Tracking System report.

3. A recent critique of the failure to upgrade the procurement specifications for Cold Vacuum Drying Facility support systems after revision of the Safety Equipment List did not identify the facts, problems, causes, or corrective actions as required. Several attempts by RL have yet to resolve this issue.

Status: This issue was resolved by a critique and development of a corrective action plan. As part of the plan, a design baseline review was performed.

4. A recent critique of the failure of operations personnel to follow an approved work procedure and Radiation Work Procedure (RWP) while performing sludge sampling in K-Basins did not identify the facts, problems, causes, or corrective actions as required. Several attempts by RL have yet to resolve this issue.

Status: The issue was documented in an NTS report issued to EH-10 discussing the work control and hazard analysis issues associated with the change in workscope. The recently started Deficiency Evaluation Group (DEG) is helping to focus on issues associated with documented deficiencies.

5. A review of the known deficiencies requiring Price Anderson Amendments Act (PAAA) of 1988 screening noted that the number was excessive. FDH/D&S Hanford, Inc. (DESH) management has been slow in providing sufficient resources to address the necessary screening for PAAA applicability. Proper risk/ranking cannot be performed without this screening.

Status: Additional screeners were hired and trained to address this issue. Currently there is no backlog of issues requiring screening.

6. The recent Configuration Management Assessment identified several repeat issues associated with the changing configuration of systems without changing the design documents. The review also identified several examples in which the corrective actions for identified deficiencies were significantly overdue. Although FDH/DESH had taken action to change the due date so that the item did not appear delinquent, execution of the necessary corrective actions had not occurred.

Status: This issue has been worked with SNFP. The final corrective action plan has been provided to RL for evaluation. All issues were entered into the CAMs tracking system. Additionally, the Contractor documented this issue in an NTS report to EH-10.

B 4 Facility Stabilization Project

Overall Rating: Excellent

B 4.1 General/All Facility Stabilization Sub-projects

Rating: Excellent

Noteworthy Results:

Plutonium Finishing Plant (PFP)

1. Identified and successfully implemented an innovative approach to conducting readiness reviews for the restart of the prototype calciner, the Activity Based Startup Review (ABSR).
2. Completed a Requirements Based Surveillance and Maintenance (RBSM) evaluation at PFP that identified approximately 6000 hours worth of unneeded surveillance scope at PFP.
3. Initiated a redesign effort for PFP staff that, if successful, will result in significant future reductions in costs and accelerations of scheduled work.
4. Suggested an innovative approach to processing polycubes at PFP that, if validated as expected, will result in significant reduction in the processing times required to stabilize these reactive materials, and thus reduce the costs for stabilization as well as the life cycle costs for the PFP Project.

Buildings 324/327

1. Activities at 324 building were impaired by the inability to ship waste from the B Cell cleanout activities because of unresolved issues associated with making B-Cell LLW/TRU waste determinations. There was excellent work in identifying deficiencies in the way that historical waste determinations from B Cell were documented.
2. The facility reacted positively to the crane deficiencies when it established the dedicated crane repair team to improve crane operability. By the close of the fiscal year, the B-Cell cranes demonstrated improved availability.
3. Significant progress was made during the year to ship out legacy waste from both 324 and 327

facilities. Seventy-six percent of the PNNL legacy waste items were shipped during the year.

4. Progress has been significant in improving the safety posture of the facilities. Work was completed to improve safety and quality performance, and was highlighted with the Facility Evaluation Board evaluation that indicated significant improvement from the previous year's performance. In addition, the facility met the challenge to accelerate the implementation of ISMS, and at the end of FY1999, had successfully completed the major equipment upgrades and procedure updates to start implementation of ISMS nearly six months before previously planned.
5. Regarding 300 Area Fuel Supply Shutdown activities, the contractor has managed the workscope very well during the year, and was able to complete the 300 Area Waste Acid Treatment System Phase 3 closure activities by September 30, 1999, in spite of only receiving committed funding for this activity part way through FY 1999. This work was completed on schedule and within budget, despite losing key resources throughout the year to work on higher-priority work on the 324 B-Cell cranes.

Areas for Improvement:

1. During the year, Change Request FSP-99-017 was processed and approved to incorporate impacts to the program that caused the workscope to be pushed into the out years. This allows for additional workscope required to compensate for resolution of the LLW/TRU waste determinations and the impacts of not being able to make LLW/TRU shipments out of the facility. Even with this adjustment, the program at 324 Facility overspent the planned workscope and had to carry over nearly \$1.6M of workscope into FY2000 without being able to pass on funds to go along with that workscope. This will significantly impact the program's ability to maintain its schedule to meet program and TPA commitments.
2. At the end of FY 1999, the 324 building was still unable to make B Cell LLW/TRU waste determinations as the required plant documentation had still not been issued. This waste determination issue did not directly affect project milestones as the Radiochemical Engineering cell work was delayed due to: (1) the lengthy out of service condition of the B-Cell cranes, (2) the identification of the crane door operability issue, (3) the need to complete A-Cell cleanout activities, and (4) the inability to handle the 382B cask without completing the 30 ton crane repairs.
3. Using C-Cell to alleviate impacts of not being able to ship waste from B Cell was initially identified as an opportunity to minimize impacts to the program. Delays in getting equipment fabricated and installed to make this option viable resulted in final cancellation of this option and resulted in additional costs to the program.

B 4.2 Plutonium Finishing Plant (PFP)

Rating: Good

Noteworthy Results:

1. Providing beneficial use of the Los Alamos Nuclear Material Accountability System (LANMAS) (Milestone TRP-97-417) by September 30, 1999, was completed ahead of schedule and within budget.
2. A plutonium inventory characterization plan, "Material Stabilization Characterization Management Plan" (HNF-4762, Rev. 0), was received simultaneously by FDH and RL staff on June 30, 1999. This plan appears well designed and (after independent peer review and potential revision) has an excellent chance of helping with the facility stabilization work. The plan refers heavily to another recently released document "Update on the Department of Energy's 1994 Plutonium Vulnerability Assessment at PFP" (HNF-3541, Rev. 0). The two documents should enable a basis for subsequent implementation of a very useful database.
Software implementation of this plan is outlined to include the LANMAS classified system (implemented), the LABCORE laboratory data system (being implemented), and the Z-Plant Materials Information Tracking System (ZMITS) to complement the other two systems (currently in the definition stage-funding for implementation of ZMITS has not yet been authorized).

Areas for Improvement:

1. The requirement to complete the annual update of the Facility Safety Analysis Report (FSAR) (Milestone TRP-99-404) by September 30, 1999, was not complete. This work was deferred to FY 2000 (with RL concurrence) due to insufficient funds remaining after other FY 1999 work was completed, primarily the IPMP. The performance rating is marginal, because RL was forced to approve the deferment due to a lack of funds.
2. Completion of Project W-460 Facility Design by September 30, 1999, was not completed due to a major change in project direction in December/January, and the performance rating was good. The change of direction was DOE-directed and contractor support of that change was good. The contractor might have earned an "excellent" or "superior" rating had they taken the opportunity afforded by the project redirection to thoroughly reexamine the project, beginning at the functional requirements and performing a thorough value engineering review. Such an approach could have saved significant costs over the life cycle of the project and provided appreciable schedule gains for this important project.

3. The Project W-460 infrastructure construction start by September 1, 1999, was not completed due to a major change in project direction in December/January, and the performance rating was good. The change of direction was DOE-directed and contractor support of that change was good. The contractor might have earned an “excellent” or “superior” rating had they taken the opportunity afforded by the project redirection to thoroughly reexamine the project, beginning at the functional requirements and performing a thorough value engineering review. Such an approach could have saved significant costs over the life cycle of the project and provided appreciable schedule gains for this important project.
4. Update Air Operational Permit/National Emission Standards for Hazardous Air Pollutants (NESHAPs)/issue Notice of Construction (NOC) by September 30, 1999. This activity “Update AOP/NESHAPs/NOC” was not done because of the change in project direction of W-460. The contractor might have earned an “excellent” or “superior” rating had they taken the opportunity afforded by the project re-direction to thoroughly reexamine the project, beginning at the functional requirements and performing a thorough value engineering review. Such an approach could have saved significant costs over the life cycle of the project and provided appreciable schedule gains for this important project.

B 4.3 Waste Encapsulation and Storage Facility (WESF)

Rating: Good

Noteworthy Results:

WESF has accomplished a massive amount of clean up in the hot cells/shop without incident.

Areas for Improvement:

1. Improvement is needed in integrating and strengthening emergency response procedures.
2. A violation of an Interim Operation Safety Requirement caused the rating for WESF to be reduced. Although, the action taken by the facility personnel was adequate and safer than the alternative, it put them in jeopardy of violating an IOSR. The way this particular IOSR is written may need to be re-visited.

B 4.4 324/327 Buildings

Rating: Good

Noteworthy Results:

Within TP-08 only, three RL milestones were established and those were not part of specific PA workscope that was due to be completed in FY1999. TRP-99-940 was due August 15, 1999; TRP-99-941 was due September 30, 1999, and both were completed ahead of schedule. The documents were reviewed by RL program staff and found to be of acceptable quality and of value to the program; these two milestones have been met. Change Request-FSP-99-017, approved in May 1999, added an additional RL milestone, TRP-99-944 "Complete B-Cell Waste, Crane, and Special Case Waste Studies" which was due September 30, 1999. Of the three studies that were to be completed, BWHC issued the "324 Building B-Cell Crane long-range Improvement Plan" on September 30, 1999. While this plan is still under review by RL staff, a preliminary look indicates that it has provided a comprehensive evaluation of the B-Cell cranes, and as such, RL has judged that this part of the milestone has been met.

Area for Improvement:

Two of the three reports, Complete B-Cell Waste Study and Compete Special Case Waste Study, were not issued by the September 30, 1999, due date indicating that this part of the milestone was not met.

B 4.5 Crosscutting

Rating: Superior

Noteworthy Results:

1. All applicable FY 1999 endpoint milestones in the FY 1999 Radiological Control Improvement Plan were met ahead of schedule as follows:

	<u>Completed</u>
Radiological Problem Reports	March 25, 1999
Self-Assessment	March 31, 1999
Review/Assessment of Work Involving Airborne Radioactivity	June 28, 1999
Procedure Upgrades	July 15, 1999
Specialized Radiological Worker Training	August 31, 1999

2. In addition to the above milestones, BWHC initiated a Radiological Controls Exchange Program among Facility Stabilization Project facilities. A group from each BWHC Facility Radiological Controls organization toured the other three major BWHC Facilities to observe and discuss good practices and possible improvement items related to radiological control programs or processes. Examples of such practices and improvement items, which were identified, and either have been or are currently being evaluated for implementation at other BWHC Facilities include:
 - PFP incorporated undress, survey, and step off pad instruction into a single step off pad instruction, thus efficiently incorporating three separate requirements into one.
 - WESF expanded on the electronic survey report success initiated at FFTF, by incorporating digital photography of areas surveyed, coupled with survey data, in an electronic database, drastically improved quality and retrievability of survey results.
 - FFTF uses an innovative weighting system for its radiological control self-assessment program that incorporates the effectiveness of implementation.
 - The 300 Area's primary ALARA Council and Enhanced ALARA Work Planning programs are well structured, organized and supported.

BWHC intends to continue this exchange program into FY 2000, and will explore expanding this program to include other major Hanford contractors.

1999. A change request was submitted and approved in FY-1999 to add several technology insertion points in the TP-08 FYWP as program milestones in the out years to identify where technology could benefit the 324/327 Stabilization and Deactivation Program. Even more aggressive identification of areas where technology can help minimize project cost or schedule is still needed to provide higher levels of confidence in being able to meet program commitments.

B 5 Advanced Reactors Transition (ART) Program

Rating: Superior

Noteworthy Results:

1. The FFTF management continued throughout FY-1999 to effectively maintain the experienced, well-trained staff and facilities required to support a potential restart mission. All of the required aspects of

the FY 1999 MYWP and approved baseline change requests were

successfully implemented. In addition to the MYWP workscope, the unplanned/unscheduled extent of conditions and corrective action efforts were included. This additional workscope was a major labor-intensive undertaking and was conducted within the existing budget. The teaming between FDH, PNNL, and BWHC for the FFTF new mission support was commendable. All deliverables including reports, presentations, and tours were of highest quality. Other appreciated efforts include the timely responses to numerous special requests and the forthright and timely approach involving the RL FFTF Project Office (PO) with any and all programmatic issues.

2. Specific noteworthy accomplishments include:

- The FFTF Project team has continued an exemplary safety record. This is reflected in the team achieving one million man-hours without a lost workday incident on March 29, 1999, and completing the entire fiscal year with no lost or restricted workday cases and no OSHA recordable occurrences.
- The required workscope as outlined in the Multi-Year Work Plan was completed with a positive cost variance of \$3.3 million. Forty-seven of the Seventy-three milestones were completed early and three completed late.
- All of the important ** workscope items were completed on or ahead of schedule with the exception of the Solid Waste Cask (SWC) activity. The SWC milestone was withdrawn from the evaluation criteria due to an unforeseen technical issue related to a previously conducted analysis. Completed items include (1) the workscope associated with the three "Health of Facility" phases, (2) the design, procurement, fabrication, and fieldwork associated with the Closed Loop Ex-Vessel Machine (CLEM) Control System Upgrade, and (3) the New Mission Development efforts.
- Cost-effective measures taken include (1) increasing the Interim Examination and Maintenance cell atmospheric pressure to reduce argon gas usage, (2) combining the plant argon supply system with the Fuel Storage Facility argon supply resulting in a corresponding reduction in gas consumption, (3) replacing the R-12 freon from the chillers with an environmentally friendly R-134A refrigerant, and (4) loaning staff to other Hanford projects.

Areas for Improvement:

1. There are several FDH subcontracts that provide support necessary to the FFTF project. There are areas in which these support functions have not provided timely and/or efficient products. Examples include:
 - In the procurement process, the procurement processing and quality assurance receipt inspections have not been performed efficiently and in a timely fashion.
 - The Materials and Test Equipment (M&TE) calibration support is not satisfactory. The M&TE Contract Release process has been inefficient and equipment items have not been calibrated in a timely fashion.
 - The personnel providing data input to the Deficiency Tracking System have not been used efficiently.
 - The Weed and Pest Control process at the FFTF is not cost effective.
2. FFTF management should further evaluate the staff mix for the crafts and determine if there is a more effective and efficient mix to maximize workscope output.

B 6 Infrastructure/Landlord/Site Services

Overall Rating: Excellent

Landlord Project:

Rating: Superior

Noteworthy Results:

1. The overall management of the Landlord Project was completed with no impacts to cost and schedule. Minimal baseline change requests were submitted throughout the year.
2. Design packages for Projects L-270, Emergency Services Renovation and L-293, Emergency Preparedness System Upgrade have been received. Project L-293 construction was completed within cost and schedule. L-294, Broadband End-of-Life Conversion was completed with additional workscope of changes in facilities and within budget.
3. Project L-281, 200 W Regional Drainfield, had the possibility of experiencing some major cost

increases due to stringent requirements placed on the project by the Plutonium Finishing Plant (PFP). DynCorp and FDNW were able to work with PFP and significantly limit the cost increases. The FDNW and DynCorp project managers were able to overcome the difficulties of working within PFP and move forward on Project L-281.

4. The Landlord program was able to remove two underground storage tanks before the compliance deadline of December 22, 1998. DynCorp and FDNW were given a short timeframe to remove the tanks but were able to complete the work successfully.
5. Project L-286, 200E Sanitary Water Plant Effluent Stream Reduction, was completed on schedule to meet the milestone to cease discharge to the soil column in June 1999.
6. The completion of the shutdown and isolation of facilities on schedule and on target was excellent work. There were discussions earlier in the year that the goal of 50 facilities for isolation may not be met due to reutilization on site. It is commendable that reutilization of facilities was able to occur and additional facilities that were no longer required were confirmed to be identified.

Areas for Improvement:

1. Material Management: The length of time it took some of the companies to complete their inventories was disappointing. Better cooperation and participation needs to occur by the other companies in supporting the personal property activities required by the contract.
2. RL has been unable to obtain accurate and timely information regarding the charges against RL's request for services for LMSI's work on the Hanford Home Page. This inability to obtain information has contributed to a yearend cost overrun.

Infrastructure Program

Rating: Excellent

Noteworthy Results:

1. Material Management and Personal Property Management are working at a satisfactory level. The area that may pose an impact on costs is the Investment Recovery function due to the low revenue return and the low level of excess materials from the site.

2. The walkthrough program was reinstated and administered successfully this year.
3. The inventory results were excellent. The control of the equipment seems to be maintained by the custodians. It was disappointing to read through the weeklies how long it took some of the companies to complete their inventories. This delay could have an impact on the final results, fortunately it appears that it did not affect this year's outcome.

Area for Improvement:

FDH needs to finish development of a long-term usable database for tracking real property and keep the database current.

B 6.1 Guidelines

B 6.2 Energy Savings Performance Contract (ESPC)

Rating: Excellent

Noteworthy Results:

1. FDH met all ESPC support goals and assignments by performing formal and informal requests from RL.
2. FDH submitted proposals for water and electrical systems energy savings enhancements.
3. FDH held a tabletop emergency planning exercise for cold weather scenarios.

Area for Improvement:

FDH needs to ensure that the PFP completes the electrical conversion to provide backup power to the exhaust ventilation in the 291-Z building, thus removing steam as the backup.

B 6.3 SSD PHMC Invoice/Annual Work Plan (AWP) Tracking and Analysis

Rating: Excellent

Noteworthy Results:

1. The invoices are being reviewed by the contractor and reconciled to the AWP. The reconciled information is being provided to RL Site Services Division (SSD) through monthly status reports and HANDI 2000.
2. Monthly progress reports containing cost, schedule and performance status have been provided.

Area for Improvement:

General Infrastructure: Perform the work within the AWP ahead of schedule while maintaining the baseline and performing additional work with the funding provided in the AWP.

B 6.4 Information Resource Management (IRM)

Rating: Excellent

Noteworthy Results:

The RL-SSD Information Management (IM) Team and FDH Chief Information Officer team has successfully identified the “Critical Few” performance indicators for FY 2000. These indicators focus on IM workscope only.

1. Unit rates have been established for HLAN and Desktop support. IRM services have been benchmarked. The FDH-CIO and RL will continue to work together to develop a three-year strategic plan that will enable site IRM services to move to fixed-unit rates and projectize work where appropriate, thereby minimizing level of effort-type work. Procedures and work rules will be instituted to ensure that information systems and related infrastructure requirements are matched with site mission needs.
2. The FDH-CIO and RL-SSD continue to work together to create a three-year strategic plan and path forward for implementation of IM initiatives (such as fixed-unit rates, moving some services from indirect funded to direct funded) that will help manage supply and demand for IM services. This will give end-users more control over their IM costs by allowing them to purchase only the IM services they need.
3. FDH conducted an effective Scientific and Technical Information (STI) Program during FY 1999. They have not only transmitted all STI to the Office of Scientific and Technical Information (OSTI) as required by DOE Order 241.1, but they have eliminated a backlog of

transmittals from previous years created by technical issues with OSTI. FDH continues to develop expertise in the STI area, demonstrated by its leadership in the re-writing of the STI Guide, which is used throughout the DOE-complex. This area is considered superior.

4. FDH completed its obligation to create an index capability for the newly developing electronic resource center on the Hanford Home Page. FDH's contractor, LMSI, continues to provide outstanding web support through its design, development, and maintenance of web pages on the Hanford Home Page. This area is considered superior.
5. The Printing function was not moved to open competition due to regulatory drivers. However, FDH was successful in transferring this workscope from LMSI to DynCorp for FY 2000. In addition, reproduction services centers were consolidated. The Reproduction Center at 2440 Stevens was closed as well as the Federal Building Center. Graphics and Technical Information Services are no longer exclusive to LMSI. Photography and Videography are exclusive to LMSI but are now direct charged using a P-Card or IMPAC Card. Competition of the photography services was attempted by LMSI in FY 1998 but vendors were not responsive to the Requests For Quotations. FDH also made an attempt through a Request For Information but vendors again were not responsive.
6. The U.S. West voice/telephone services contract was not extended on schedule due to the lack of a developed business case. The direct-charged billing to the FDH team, BHI, PNNL and RL was executed on schedule and will begin in FY 2000.
7. The Desktop 98 project smoothly migrated 8,100 users from a collection of legacy desktop software and computers to a single integrated suite of desktop products running on 4,500 new computers, 2,500 cascaded computers, and 1,500 upgraded computers. This area is considered superior.
8. The Enterprise Resource Planning (ERP) system was successfully deployed. This system was deployed in less than one year, whereas most industries implementing ERPs require two years.

Areas for Improvement:

1. The FDH CIO needs to take more proactive steps to improve oversight of LMSI. This is an area where there is opportunity for much improvement. Specifically, cost, schedule and technical baselines, and status and variance explanations are not clearly articulated (e.g., graphical representations of project status, reporting format, and baseline status).

2. Cost estimates contained in Project Plans and Rough Order of Magnitude (ROM) estimates do not clearly identify all adders/burdens. This is an area where there is opportunity for significant improvement.
3. FDH has missed opportunities to develop integrated strategic plans for IRM areas (i.e., data systems management, records management, telecommunications management and wireless communications). This lack of IRM management diminished FDH's opportunity for a higher rating.
4. RL has been unable to obtain accurate and timely information regarding the charges against RL's request for services for LMSI's work on the Hanford Home Page. This inability to obtain information has contributed to a yearend cost overrun.

B 6.4.1 Y2K

Rating: Superior

Noteworthy Results:

1. The contractor was challenged to complete all 194 PHMC Y2K mission-essential and business-essential compliance projects by March 31, 1999. This stretch goal was over-and-above the goal established for PA SID 1.1.1. Because of the coordination efforts of the PHMC Y2K project team and the hard work of each of the major subcontractors, the contractor completed all but one of the 194 systems by March 31. The final system was completed on May 8, 1999. This is an outstanding achievement.
2. The contractor completed all 409 non-mission-essential systems. This is also an outstanding achievement. Extensive coordination was required to ensure that these systems were remediated in a timely manner. The reorganization and questions of system ownership complicated this task. The job was further complicated by the difficulty of keeping the workforce focused on Y2K after all the energy that was expended to accelerate completion of the higher-priority mission and business essential systems.

B 6.5 Information Resource Management Service Levels

Rating: Excellent

Noteworthy Results:

The negotiated service level agreements are being met.

B 6.6 Energy Management/Electrical Utilities

Overall Rating: Good

Noteworthy Results:

1. Energy Management provided timely input to the HQ EMS3 database for quarterly energy consumption and cost for the Hanford Site and met all FY 1999 commitments. Development of the Annual Energy Management Report for Hanford and the Manager's Performance Assessment for Energy Management were well documented with limited funding support. (Rating: Excellent)
2. Electrical Utilities (EU) continues to work safely and all milestone reports have been submitted as planned. (Rating: Good)

Area for Improvement:

(Applicable to item 2 above) EU's commitment to submit an operations plan for reducing cost and streamlining Operations & Maintenance to be more commercially oriented was met in FY 1999. Management redirected EU to a three-year operations plan that will be presented the first quarter of FY 2000. Personnel changes and lack of initial documentation in hardware/software changes delayed the on-call electrical dispatch implementation plans beyond March 1999. A proposed change request was not submitted due to RL's position of non-approval, and FDH/DYN has now decided against implementation in lieu of continued 24-hour operation based on safety concerns. It is still SSD's position that safety concerns can be addressed without 24-hour dispatch coverage based on the current mode of operations for the Hanford Site. The ORP contractor is to supply its own backup power. A dispatcher or management could carry a pager during off duty hours and meet the response times. Implementation of the Facility Resource Energy Data Metering Program has been under development for two-plus years and has been turned over to EU. This program streamlines the present electrical billing program in use by EU. EU O&M cost approaches 1.2 cents per kWh but is still short of the goal of one cent per kWh.

B 6.6.1 Deferred Maintenance

Rating: Good

Noteworthy Results:

Due to problems with the organization of the original data submittal by FDH, RL requested and received an extension of the due date from DOE HQ. FDH used the extra time to provide RL with good data that RL inputted to the Facilities Information Management System (FIMS).

Areas for Improvement:

1. FDH needs to understand that the product will be a listing of all facilities and other site facilities with a dollar value for each, and all of the data needs to be organized for entry into FIMS. It is recommended that FDH communicate with the RL FIMS data base owner so that there will not be any last minute surprises. Deferred maintenance is a one-time snap shot on the last day of the year. The report must be forwarded quickly to RL so it can be passed to DOE/HQ a month later. Prior planning in this area should significantly improve next year's product. The data was good, but the process of getting it to RL was arduous.
2. FDH did not submit an appropriate response to the call for Deferred Maintenance data by the pre-determined due date. Several subsequent efforts to provide an appropriate submittal will hopefully provide RL with the necessary information although one has not yet been provided. FDH did not meet the original intent of the submittal by the necessary due date and an extension of time had to be requested from HQ by RL to meet our commitment.

B 7 HAMMER

Rating: Good

Noteworthy Results:

1. Completed milestones on time.
2. Increased student days from 23,227 in FY 1998 to 33,605 in FY 1999, which exceeded expectations by 26%.

1. Increased National Transportation Program Regulatory Compliance Training classes from 24 in FY 1998 to 68 in FY 1999 with only a five-percent increase in budget.
2. Conducted 170 tours - which is 35% more than in FY 1998.
3. Delivered 69 emergency preparedness-training courses to over 1000 Hanford site employees.
6. Increased positive news media events from 20 in FY 1998 to 50 in FY 1999.
7. Support for National Training Programs and the Work-for-Others program resulted in \$6.35M of added funding flowing into HAMMER.
8. Maintained overall student satisfaction average at 4.5 or above on a 5.0 scale.
9. Transitioned operations of the Patrol Training Academy into the HAMMER Law Enforcement Training Center which is now generating revenue to help offset costs.
10. Processed 40 User Facility Agreements with new HAMMER customers and 76 Appendix A contracts.

Deficiency:

FDH management implemented a major HAMMER reorganization without input or concurrence from the RL Contracting Officer's Representative (COR) and without conducting an impact analysis on HAMMER's mission and the cost of training to HAMMER customers. This major reorganization increased the FDH-HAMMER staff by 83%. HAMMER has unique capabilities, and is made available to many customers. It is RL's view that the way HAMMER was folded into the FDH Training Center, then called "HAMMER," jeopardizes the ability to serve the needs of customers beyond FDH in a cost efficient manner. In addition, this FDH reorganization jeopardizes the HAMMER Federal Training Center's efficient and effective operations as a virtual training organization. The RL COR was not given an opportunity to define the HAMMER Program requirements prior to development or implementation of this reorganization. Decisions of this magnitude without RL COR input clearly demonstrates extremely poor customer relations by FDH management. FDH has not demonstrated progress in the "Areas for Improvement" that were identified in the FY 1998 FDH performance evaluation and the FY 1999 Mid-Year evaluation.

III. MANAGEMENT AND SUPPORT SECTION

B 8 Office of Environment, Safety, and Health (ESH)

B 8.1 Integrated Environment, Safety, and Health Management System (ISMS) (ESH)

Overall Rating: Excellent

B 8.1.1 Promote and advocate an environment that encourages the raising and constructive resolution of safety and health issues and is supportive of safety and health being an integral component of work products.

Rating: Superior

Noteworthy Results:

1. FDH expanded the Project Hanford Management Contractor employee representation and worker involvement under the Employee Zero Accident Council network and provided employees with an avenue to actively participate in the five elements of the DOE voluntary protection program.
2. FDH organized a successful ISMS workshop, which focused on worker involvement at the activity level.
3. A safety improvement plan was developed by FDH based on output of the Hanford safety summit.
4. FDH hosted the Hanford Safety Summit to develop an improvement plan and process focusing on leadership commitment, employee involvement, and worker safety.

B 8.1.2 Ensure that the elements of the PHMC protect worker rights, enhance consideration of employee concerns, encourage open communications, and support the establishment of a safety-conscious work environment.

Rating: Excellent

Noteworthy Results:

1. FDH produced the ISMS video to increase employee awareness of the ISMS process.
2. The Hanford stop work responsibility poster was updated to reflect an expanded contact list and current senior management endorsement.
3. FDH implemented a Field Presence Initiative for senior FDH management to ensure management presence in field activities.
4. FDH revised the Management Safety Training Course with the objective of emphasizing worker safety rights, management communication, and worker involvement.
5. FDH conducted an independent assessment of the safety consciousness of the work environment to assess the safety culture of sub-tier contract work.

B 8.1.3 Complete training and implementation of the Automated Job Hazard Analysis (AJHA) in accordance with the ISMS implementation schedule.

Rating: Superior

Noteworthy Results:

A field review of AJHA implementation, the understanding of the use of the instrument, and the extent and effectiveness of the use of the tool was conducted. Areas of strength and weaknesses were identified. Improvements have already been initiated, exceeding the expectation for this item.

B8.1.4 Declare readiness for ISMS Phase II implementation for SNF, TWRS, PFP, and WESF.

Rating: Excellent

Noteworthy Results:

Correspondence from FDH to RL was received prior to October 1, 1999 that declared readiness for ISMS Phase II verifications at:

- 1) River Protection Project (formerly TWRS) (RPP)
- 2) SNF Project

- 3) PFP
- 4) WESF

To date, ISMS verifications have been conducted at RPP (Phase II; August 1999) and SNF (Phase I/II; November 1999). ISMS verifications are scheduled for PFP (Phase I/II; January 2000) and the Waste Management Project which includes WESF (Phase I/II, May/June 2000).

B8.1.5 Declare readiness for ISMS Phase I on four PHMC facilities.

Rating: Good

Noteworthy Results:

Correspondence from FDH to RL was received prior to October 1, 1999, which declared readiness for ISMS Phase I verifications at four PHMC facilities:

- 1) Fluor Daniel Hanford (FDH) or Project Hanford Management Contract level
- 2) Spent Nuclear Fuel (SNF) Project
- 3) Plutonium Finishing Plant (PFP)
- 4) Waste Encapsulation Storage Facility (WESF).

To date, ISMS verifications have been conducted at FDH (Phase I; October 1999) and SNF (Phase I/II; November 1999). ISMS verifications are scheduled for PFP (Phase I/II, January 2000) and Waste Management Project which includes WESF (Phase I/II, May/June 2000).

Area for Improvement:

While declaration of readiness for ISMS Phase I verification was received prior to October 1, 1999 by RL for four PHMC facilities, the specific date for declaration of readiness for the FDH Phase I verification was changed numerous times. This delay necessitated RL conducting ISMS verifications in late October 1999 for FDH (declaration of readiness September 1999) and early November 1999 for the SNF Project (declaration of readiness September 1999) which resulted in several logistical/verification-scheduling problems for RL. Additionally, in accordance with the implementation plan for DNFSB Recommendation 95-2 all Priority facilities, which include the SNF Project, were to have a verified ISMS in place by September 1999. Given the date of FDH and SNF declaration of readiness, the RL verification could not

occur until November 1999.

B 8.1.6 Develop and implement an appropriate process for flowing ISMS and Department of Energy Acquisition Regulation (DEAR) clause requirements to lower-tiered subcontractors.

Rating: Excellent

Noteworthy Results:

FDH has established an appropriate process to flow down ISMS requirements in a graded approach relative to subcontracted task hazard and complexity. The recent PHMC ISMS Phase I verification noted that this flow down process was well designed and was designated as a noteworthy practice. The initial screening questionnaire is effective.

Area for Improvement:

The current process does not address the utilization of enterprise companies and associated construction activities. A broader application of this process is needed. Additionally, improvement in this process could be achieved by evaluating the development costs of establishing an ISM system at a subcontractor level as part of balancing priorities for sub-contracted tasks.

B 8.1.7 Support and assist RL in resolution of the site roster issue relative to the Hanford Occupational Health Process.”

Rating: Excellent

The site roster has been developed and is operational, meeting the expectation.

B 8.1.8 Perform facility characterization and report outcomes of facilities identified as being suspect beryllium facilities.

Rating: Superior

All the actions committed to in the PEP Improvement Plan leading from “Unsatisfactory” to “Superior” were accomplished.

B8.1.9 Complete a PMP and schedule for PHMC ISMS effort to ensure a systematic and methodical implementation of ISMS within the PHMC. Coordinate this activity with FDH Project Direction and RL.

Rating: Excellent

Noteworthy Results:

FDH has developed and approved an Integrated Environment, Safety and Health Management System (ISMS) Implementation Project Plan (AKA Project Management Plan (PMP) [HNF-4554] which provides a schedule and strategy for the PHMC to have a verified ISMS in place by September 2000 as mandated by the Secretary's March 3, 1999, memorandum. HNF-4554 is currently in the process of being revised to address the recent PHMC restructuring" effort and in response to the FDH ISMS Phase I verification.

B 8.1.10 The established Lessons Learned Program will be updated and utilized as the information feedback function of the ISMS.

Rating: Good

Noteworthy Results:

The established Hanford Lessons Learned program has been selected as the vehicle for feedback at the organizational and facility level. Pre job planning evolutions access the Hanford Lessons Learned database to review for previously identified incidents that could impact the job currently in the planning stage. An Automated Job Hazards Analysis software program is being instituted at most job planning meetings. One aspect of this program is the Lessons Learned function that allows for reviewing previous, similar jobs for any Lessons Learned conditions identified. Any previously identified issues are considered in the current planning. Post-job reviews are being conducted for Lessons Learned conditions that occurred during the execution of the work. Any Lessons Learned are then available for the next similar work's pre job planning session.

Area for Improvement:

The post job Lessons Learned database needs to be more widely emphasized to facilitate its usage in all pre job reviews.

B 8.1.11 Hazard communication in a facility or project is adequate to prevent serious or life threatening injuries or illnesses that require emergency medical response.

Rating: Excellent

Noteworthy Results:

Improvements in the AJHA and its implementation and training, as well as the completion of the PEP Improvement Plan actions have combined to provide the basis for this rating.

B 8.1.12 Support RL during the transition to the new site medical services contractor.

Rating: Superior

Noteworthy Results:

Expectations were exceeded in this area due, in large part, to the willingness on the part of FDH to act in partnership with the Site Occupational Medical Contractor.

B 8.1.13 Develop a plan for more effective and efficient utilization of PHMC fire protection engineering resources.

Rating: Superior

Noteworthy Results:

1. The value engineering study that FDH previously submitted to RL was reevaluated and changes were made to effectively address the fire protection engineering programmatic and technical issues within the Hanford Fire Marshal's Office.
2. Project Hanford Procedures were revised to enhance the Hanford Fire Marshal's authority and permits, and actions were implemented to better utilize fire protection engineering resources under the Fire Marshal's authority.
3. A Fire Protection Engineering Center of Expertise was established as a forum for major subcontractors to discuss and seek resolution to fire protection-engineering issues.

B 8.1.14 Justification for Continued Operation/Authorization Basis approval process

Rating: Superior

Noteworthy Results:

1. Fluor Daniel Hanford, Inc. (FDH) prepared and issued the authorization basis interface agreement and completed notification of potential authorization basis interfaces during the evaluation period.
2. FDH developed an interface matrix database and communicated interface identification process and notification with the major subcontractors and institutionalized change controls to prevent changes from becoming interface issues.

B 8.2 Radiological Controls Improvement Plan (RCIP)

Rating: Excellent

1. FDH performance at the ALARA conference was excellent and a good show of the improvements in radiological engineering which have taken place at Hanford.
2. FDH's radiological web page was also excellent. Contractor documents, including technical basis documents, are now on the web.

B 8.3 Environmental Protection (EP)

Overall Rating: Excellent

B 8.3.1 Provide effective management, integration, sitewide coordination, and/or implementation of the Tri-Party Agreement, environmental reviews (National Environmental Policy Act and State Environmental Policy Act), environmental permits, documentation, reporting requirements, regulatory inspections, and environmental issues.

Rating: Excellent

Noteworthy Results:

1. The AJHA process was modified to prevent a work package from being executed without NEPA review.

2. The contractor provided excellent support for resolution and verification of the monthly invoice review.

Areas for Improvement:

1. Plan and implement a process to proactively and continually integrate crosscutting/site-wide compliance issues by teaming with the other prime contractors.
2. Develop proactive compliance strategies that are consistent with RL missions and long-term interest.
3. Increase vigilance over the operations of the facilities to proactively and continually discover, disclose, and mitigate any potential environmental compliance issues.
4. Improve the quality of composition and grammar for written deliverables.
5. Improve the review of all environmental transmittals with extra considerations to the long-term goals for the Hanford Site, consequences of the actions to all the contractors, sound environmental suggestions and corrective measures and allowing for adequate review and concurrence by DOE.
6. FDH Programs should improve their efforts to make support documentation available for the NEPA Document Preparer to avoid causing delays in review and approval of NEPA documents.
7. More effective communication at the Tri-Party Agreement milestone manager level.

B 8.3.2 Reaffirm awareness and commitment to regulatory compliance through updated training and assertive communications.

Rating: Excellent

Noteworthy Results:

1. Completed revision of DOE NEPA training course, and development of a two-hour training module for management.
2. The communications pilot for appropriate dissemination of environmental regulatory

information progressed in a constructive manner.

Area for Improvement:

Continue expanding the communications pilot and market this process with training and benefit feedback.

B 8.3.3 Consistent with budget baseline and contractual limitations, implement HANDI 2000 passport software purchasing, inventory, and Material Safety Data Sheet modules for the Chemical Management System.

Rating: Superior

Noteworthy Results:

EP has demonstrated superior leadership and management integration in implementing the PHMC Team Chemical Management System. The HANDI 2000, Procedural Revisions, Indus MSDS module, and other elements are all being accomplished successfully. EP has done an outstanding job communicating the program to line management and field personnel.

B 8.3.4 Complete studies and engineering and begin construction to demonstrate progress on fulfilling the requirements of the Federal Facility Compliance Agreement for the Clean Air Act.

Rating: Excellent

Noteworthy Results:

The contractor successfully met all six milestones on the accelerated schedule for the Federal Facility Compliance Agreement

Area for Improvement:

Anticipate customer needs when developing new standards, processes, or procedures. Focus on these needs before striving for international recognition.

B 8.3.5 In the areas of effluent and environmental monitoring, data management, and reporting, use the ISMS core functions of analysis and feedback to maintain compliance and improve monitoring for the protection of workers, public, and the environment.

Rating: Excellent

Noteworthy Results:

The routine activities of Effluent Emission Monitoring have been performed in an excellent manner. All deliverables have been on or ahead of schedule.

Area for Improvement:

Consider a scope of work that would reflect the potential for a sliding schedule allowing work to be pushed into out years when priority events overtake routine requirements. This would provide the opportunity to respond to unscheduled events without sacrificing requirements.

B 8.4 Emergency Preparedness Improvement Program

Overall Rating: Superior

B 8.4.1 Implement corrective actions to resolve issues identified by or resulting from the Plutonium Reclamation Facility (PRF) event, EH-22 assessment, self-evaluation (critiques), etc. to ensure there is an effective and efficient Emergency preparedness program across the PHMC.

Rating: Superior

Noteworthy Results:

1. All corrective actions assigned to Fluor Daniel Hanford Emergency Preparedness subsequent to the Plutonium Reclamation Facility (PRF) event were implemented and closure packages submitted for each action.
2. The format for closing corrective actions from the PRF event has provided an effective standard for EP corrective action activities.

B 8.4.2 Complete implementation of design improvements of the Emergency Operations Center.

Rating: Superior

Noteworthy Results:

Implementation of design improvements of the Emergency Operations Center (EOC) was completed ahead of schedule and on budget. Hanford's annual emergency preparedness exercise resulted in no deficiencies for the EOC. In addition, the Joint Information Center was given a "superior" performance rating in the DOE-HQ assessment for its performance during the exercise.

Area for Improvement:

EOC training should be enhanced to provide modules on consequence assessment, modeling, and interpretation of Unified Dose Assessment Center products.

B 8.4.3 Develop and implement facility level procedure streamlines and worker awareness initiative.

Rating: Excellent

Noteworthy Results:

1. Successfully completed the River Protection Project Emergency Preparedness Improvement Plan and demonstrated actual improvement in field performance.
2. Completed a revision to and implementation of DOE/RL-0223, RLEP 1.1, 'Hanford Incident Command System and Event Recognition and Classification.' The revision improved the emergency response effort through implementation of the Incident Command System using the national model.
3. Initiated an improvement plan for the Waste Management Laboratory (222-S) and demonstrated improvement in facility readiness to respond to potential emergency situations.
4. Inconsistency in facility drills had been identified as an area needing improvement. As a result, HNF-4035, PHMC Emergency Preparedness Drill Program was developed and issued. This document provides guidance to facilities in developing and conducting facility drills.

Area for Improvement:

In FY 2000, a facility emergency preparedness improvement plan will be developed and implemented. The Project Hanford Management Contractor facility drill programs should be significantly improved to meet this deliverable.

B 8.4.4 Implement DOE Order 151.1, “Comprehensive Emergency Management system” by September 30, 1999, dependent on formal contract direction and baseline change requests approval.

Rating: Excellent

Noteworthy Results:

Fluor Daniel Hanford and its subcontractors completed implementation of DOE Order 151.1, “Comprehensive Emergency Management,” as planned. New requirements in 151.1 provided a mechanism to analyze current systems and dialog with offsite agencies about the notification process. The feedback received during this dialog resulted in changes that met the needs of the offsite agencies.

Area for Improvement:

Program and exercise evaluation criteria will be revised in FY 2000 to incorporate DOE Order 151.1 guidance.

B 8.4.5 Emergency preparedness training and drills are adequate to ensure that emergency notification is made within established time limits, and that response and mitigating actions are sufficient to provide for the health and safety of site personnel.

Rating: Superior

Noteworthy Results:

1. FDH Emergency Preparedness (EP) developed and issued an EP Training Improvement Plan to enhance the FDH training and drills, and to ensure timely emergency notifications are made and response and mitigating actions are sufficient to provide for the health and safety of the personnel. All milestones associated with the plan were completed.

2. Two facility EP training programs were developed and implemented as part of overall EP improvement projects at the River Protection Project and Waste Management Laboratory complex.
3. Training improvements were successfully demonstrated during conduct of evaluated EP facility and sitewide exercises.

Area for Improvement:

In FY 2000, FDH Emergency Preparedness Hazardous Materials and Emergency Management Response (HAMMER) will issue an updated Emergency Preparedness Training Improvement Plan.

B 8.5 Quality of Work

Overall Rating: Marginal

B 8.5.1 Ensure that the PHMC Quality Assurance (QA) Program is effectively implemented.

Rating: Marginal.

The results of FDH actions to respond to the Secretarial Compliance Order were very good and put FDH in position to have significant improvement in FY 2000.

Noteworthy Results:

FDH QA has worked on improving the usability and understanding of 56 quality-affecting procedures. FDH QA has also reviewed MSC and project specific QA programs to verify that these documents are complimentary to the overall PHMC QA Program.

Deficiencies:

With FDH having received the largest DOE (EH-10) imposed fine (Final Notice of Violation - FNOV) for violations of 10CFR830.120 and the only compliance order issued to date by DOE, any noteworthy results claimed by FDH either prior to or after the fine are overridden by the Price Anderson Amendments Act (PAAA) violation. The PHMC QA program was not effectively implemented during this rating period.

B 8.5.2 Ensure Office of Civilian Radioactive Waste Management and Waste Isolation Pilot Plant requirements are integrated in FDH QA Program.

Rating: Good

Noteworthy Results:

DOE's Carlsbad Area Office assessed the TRU QA program and concluded that it was the most effective QA program that they had observed on a first visit WIPP certification audit.

Deficiencies:

The Office of Civilian Radioactive Waste Management certification audit conducted by the DOE-HQ National Spent Nuclear Fuel (NSNF) organization resulted in a conclusion that the PHMC-QA program was not effectively implemented.

B 8.5.4 Maintain an effective internal management assessment program.

Rating: Good

Noteworthy Results:

The management assessment procedure was revised in June 1999. FDH is actively performing assessments and working on moving the assessments from compliance assessments to having management focus on the big picture. FDH understands that the selection of assessment topics needs improvement and is taking action to correct the weakness.

Deficiencies:

Most management assessments performed by the PHMC fail to look at the "the total picture of how well a management system" (HNF-PRO-246, Rev.1) is meeting expectation but rather focuses on lower level, specific attributes of a specific procedure.

B 8.5.5 Provide FDH PHMC management and leadership for the implementation and maintenance of the PHMC QA Program; including S/RIDs and procurement QA.

Rating: Good

Noteworthy Results:

1. FDH facility and site level S/RIDs have been revised or are in the comment resolution cycle consistent with current plans. Improvements have been made in the quality and consistency of S/RIDs through the use of templates for each functional area. The contractor has revised its internal S/RID procedure and has developed a new database to prepare S/RIDs and track requirements, which will improve the overall S/RID process.
2. FDH's movement of procurement QA from the QA organization to the FDH contracting organization was accomplished in an effective manner as evidenced by the lack of employee concerns in this area. FDH has done an effective job of correcting the procurement QA problems that were identified in the PAAA violation.

Deficiencies:

The contractor has failed to provide management and leadership for QA as addressed in FDH's Quality Improvement Project. In addition, the PAAA violation referred to in B8.5.1 above included procurement QA deficiencies.

B 8.5.6 Ensure that the quality of PHMC products and operations meet or exceed customer expectations, as defined in the PHMC contract and work plans.

Rating: Good

Noteworthy Results:

Plans to incorporate a surveillance group into the QA organization should result in improvements in the quality of PHMC products and services.

Areas for Improvement:

See B8.5.1.

B 8.6 Performance Evaluation

Overall Rating: Excellent

B 8.6.1 Perform oversight activities on facilities/operations.

Rating: Excellent

Noteworthy Results:

The Facility Evaluation Board (FEB) and Programs Assessment organization continue to conduct oversight activities on a scheduled basis. In the second half of this fiscal year, the FEB was requested to provide RL with an oversight function monitoring the corrective actions conducted by FDH in response to a Compliance Order issued by DOE-HQ. The compliance Order Corrective Activities were addressed in a Corrective Action Plan and tracked in the FDH Deficiency Tracking System.

Area for Improvement:

One Corrective Action implemented by FDH in regards to the Compliance Order was to upgrade its Corrective Action Management process and Deficiency Tracking System. The FEB needs to continue to monitor these two systems, and provide all pertinent information to FDH management, that when addressed, will ensure that continued improvement in the systems will be made.

B 8.6.2 Oversight activities will be conducted through established Independent Oversight and Management Self-Assessment processes. Results will be trended and portrayed in a performance indicator system.

Rating: Excellent for the assessments
Good for the trending/performance indicators.

Noteworthy Results:

The FEB and Program Assessments organization continue to conduct oversight activities to a developed schedule or to RL requests. The results of the scheduled reviews are being trended.

Area for Improvement:

Although some, but not all FEB data is being trended, a more comprehensive trending and indicator system needs to be developed.

B 8.6.3 Oversight activities will be conducted within the tenets of the Integrated

Environment, Safety, and Health Management System (ISMS).

Rating: Excellent

Noteworthy Results:

The FEB continues to include the ISMS requirements within their oversight criteria. In addition, they have been requested by RL, and have conducted two ISMS validation reviews on Hanford contractor programs.

B 8.6.4 External review results that have identified weaknesses and deficiencies will have Corrective Action plans written to address these concerns. The Independent Oversight/Self Assessment Programs will include monitoring these Corrective Actions to closure.

Rating: Excellent

Noteworthy Results:

EH-10 issued a Compliance Order to FDH identifying a number of weaknesses in their compliance with DOE rules. FDH prepared Corrective Action plans for these identified deficiencies, and subsequently closed the actions in the last half of FY 1999. The Corrective Actions were tracked to closure in the FDH Deficiency Tracking System. The FEB was mandated in the Compliance Order to monitor closure of the Corrective Actions as an agent for RL. This monitoring activity has been completed and a report of the results has been provided to RL.

B 8.7 Performance Measurement

Rating: Excellent

Noteworthy Results:

FDH is piloting a set of monthly indicator reports that now include leading indicators to be tracked and monitored. Management focus continues to move from reacting to adverse trending of lagging indicators to analysis of precursors and leading indicators. Usefulness continues to improve.

Area for Improvement:

Improvements are needed in tying the ESH performance indicators into the business management system and the overall contract performance expectations. The current linkage between the ESH performance

indicators and ISMS requirements to measure system effectiveness needs further development.

B 8.8 Corrective Actions

Rating: Excellent

Noteworthy Results:

As required by the HQ Compliance Order, FDH has updated its Corrective Action Management program. Procedures were rewritten and updated. The FEB, as RL's agent verified the program's improvement activities. In addition, periodic reviews of the program's implementation at the facility level are an integral part of the FEB's scheduled oversight activities.

Area for Improvement:

FDH Independent Oversight and Self Assessment review activities need to include scheduled monitoring of the Corrective Action Management program to insure continued program improvement.

B 8.9 Continuous Performance Improvement (CRQ)

Rating: Superior

Noteworthy Results:

FDH initiated the Continuous Performance Improvement object development phase ahead of schedule and involved RL throughout the process. Due to ongoing involvement, RL approved the FY 2000 annual workplan scope and budget with no revisions. RL was pleased with the "projectized" approach. RL and the Baseline Change Control board acknowledged and approved the thorough and comprehensive "project management" approach for this activity.

B 9 Employee Concerns Office

Rating: Excellent

Noteworthy Results:

1. The PHMC Employee Concerns Program (ECP) Self-Assessment was completed on time and met expectations.

2. Changes to the program identified as a result of the self-assessment were delivered to RL and improvements were completed on time. The ECP should be commended for its improved communications between other organizations in FDH and the subcontractors.
3. The upgrade to the PHMC database was completed on time and met expectations.
4. Cooperation with RL in dealing with concerns was outstanding.

Area for Improvement:

RL removed the expectation that a survey be conducted to determine the safety culture at the site on the grounds that FDH/FDNW were conducting a pilot survey at FDNW. Due to legal issues and through no fault of the FDH Employee Concerns Program, the survey at FDNW was not conducted and, as such, no survey was done. However, RL expects that a survey will be done in FY 2000 to baseline the culture within FDH for employees to raise concerns without fear of retaliation.

B 10 Office of the Chief Financial Officer

B10.1 Hanford Site Planning and Integration

Rating: Good

Noteworthy Results:

The efforts put forth by the entire planning team were required to be successful in completing the evaluation items. To do this, the Planning staff ensured that the appropriate guidance was published, interpreted, trained to, followed-up on, and then collected and programmed into a warehoused data system. The merging of the on-line baseline with the automated baseline change control was a major undertaking that required cooperation from all areas of the planning staff as well as timely interfacing with projects and other support organizations. The Planning and Integration staff, again, met most expectations in this area for stage one of the integration process by demonstrating the delivery of a complete set of FY 2000 MYWPs electronically.

Area for Improvement:

There was an effort to ensure elimination of redundancy would be demonstrated in the streamlining efforts in the area of schedules. However, this approach could have been utilized in other areas of the Planning and Integration Division workplan and was not. Demonstrations of early prior planning in anticipation of expected HQ-IPABS/IPAS-IS guidance were performed. However, there were several critical areas that required re-planning to meet submission dates and the product quality did not meet the expectation of the customer. The areas were the Hanford Site Performance Report, Performance Measurement Products, Management System Policies and Procedures, and the critical submission of the Paths to Closure documents. In addition, resource allocation was another concern having the proper skills mix assigned to doing the job.

B 10.2 Budget

Rating: Excellent

B 10.2.1 Budget Reports and AnalysisNoteworthy Results:

1. Analysis of Uncosted Balances – The FY 1998 year end analysis of uncosted balances was received from FDH prior to the due date. The thresholds established in Department of Energy Policy on Uncosted Balances were met in all but one control point (EW10) and sufficient narrative justification was provided for this one exception. FDH continues to demonstrate its commitment to controlling and managing its uncosted balances.
2. Monthly Status Reports – The monthly status reports from FDH have been very timely and accurate throughout FY 1999. The data was usually the first indication of prior month financial performance for individual Non-EM Request for Service (RFS) authorizations and EM-Project Baseline Summary (PBS) work packages, preceding consolidated DOE data by several days. The straight-time burn rate projections provided a good reality check on expenditure trends for individual projects. In addition, the Non-EM report also was a quick data source for individual task level costs.
4. Certification of Availability of Funds – FDH has been very responsive to all certification of availability of funds requests. In addition, they have often initiated the certification when closing out completed workscope. FDH's proactive approach has led to long needed

cleanup of completed work and Request For Services. This was especially helpful in the recent breakout of the Lockheed Martin Hanford Corporation contract.

B.10.2.2 Field Budget Submission

Noteworthy Results:

1. Congressional Budget Submissions – FDH successfully submitted the FY 1999 and FY 2000 Phase II PBS update on January 6, 1999. This was an outstanding effort considering the difficulties in working with the HQ software.
2. Integrated Priority Listing (IPL) – The first draft of the IPL was submitted one day early. FDH's IPL module improved the efficiency and accuracy of the IPL development.
3. PBS Part B (Budget Submittal) – This submittal was presented on time despite HQ software problems and delays in receipt of HQ guidance.
5. Special Reviews/Budget Exercise Support – FDH staff correctly interpreted site priorities and immediate funding requirements by recommending initial FY 1999 Hanford EM budget allocations. Given the uncertainty of future direction and programmatic needs, a proposed \$18M reduction in the Plutonium Stabilization and Handling System construction budget last November was very perceptive. FDH was very helpful in preparing RL staff for a "Peer Review" of EM's FY 2001 budget in June of 1999. The delineation of Hanford's budget request into ten requirement driver categories was instrumental when negotiating with HQ regarding the Department's final OMB submission. Also, FDH provided excellent support in preparing an unfunded activities list for FY 1999. This list identified sources where funds were available and recommended uses. RL used the list as a basis for making decisions on what to fund.
6. Providing Support for Monthly CFO Briefings – FDH did an exceptional job in working with DOE to ensure expected funds to be placed on the FDH contract in FY 1999 were accurate and up to date. This was well coordinated for each of the briefings that FDH gave to the CFO in FY 1999.

Area for Improvement:

OMB A-11 Part B – The preliminary FY 2001 OMB A-11 Part B reports were received by the due date. However, a more detailed review of the reports should have been performed by FDH to ensure consistency with other deliverables such as Construction Project Data Sheets in accordance with Unicall guidance.

B.10.3 Financial Management

Rating: Excellent

Noteworthy Results:

1. Reduction of Indirect Cost - FDH successfully implemented and tracked \$15 million of indirect cost reductions.
2. System Implementation and YearEnd - FDH implemented an entire suite of new financial systems in October 1998. Conversion to the new systems was completed on time and six months ahead of DOE-HQ/OMB-mandated conversion dates. Further implementation of these systems solved applicable Year 2000 compliance issues. The yearend financial processing went smoothly.
3. Internal Control Reviews - FDH has been innovative and proactive in formalizing a financial operations internal control issue identification, review, and resolution process.
4. External audits performed by the Defense Contract Audit Agency (DCAA) in response to congressional legislation concluded FDH's accounting practices are acceptable. In addition, the DCAA completed its audit of the FY 1997 incurred costs and concluded there were no questioned costs.
5. FDH proactively updated its invoice DISCAS file to feed RL inventory records electronically. Automating this effort saved RL Finance from having to manually key numerous records into DISCAS each month.
6. The FDH Finance Operations staff assisted in making the Lockheed Martin Hanford Corporation (LMHC) transition smooth by applying adequate resources and support. FDH handled the transition workload in addition to completing impact analyses on indirect baselines and rates related to the LMHC transition and FDH reorganizations

B 10.4 Contract Finance and Review Programs

Rating: Superior

Noteworthy Results:

1. FDH Internal Audit successfully achieved our FY 1999 measurement criteria. This included:
 - Submitting an acceptable FY 2000 Audit Plan on time;
 - completing audits in accordance with Government Auditing Standards;
 - accomplishing audits in accordance with its revised audit plan;
 - having full disclosure of all conditions found;
 - achieving management's acceptance of audit recommendations;
 - completing OIG and GAO investigation referrals and information requests on time; and
 - submitting quarterly open action item reports within 15 calendar days after the end of each quarter.
2. Although FDH Internal Audit experienced high turnover during the fiscal year, it has managed to issue 10 of the 11 audits from the FY 1999 Audit Plan as originally scheduled. At our request, FDH carried over one audit to FY 2000 to address RL concerns. In addition, FDH issued four audits carried over from FY 1998, six special requests, and one investigation. This represents more than twice the work accomplished in FY 1998.
3. Audit working papers have been sufficiently cross-referenced, including excellent flowcharts and detailed interview and supervisory notes.
4. RL is not aware of any DOE-OIG, GAO, or DCAA repeat audit findings experienced by FDH during the period.

B 10.5 Procurement

Rating: Good

B 10.5.1 Performance Agreements

Noteworthy Results:

1. FDH submitted 45 percent of the Performance Expectation Completion Notices (PECN) by the first due date, exceeding the required 40 percent. All remaining PECNs were delivered by November 17, 1998. The packages were complete and allowed RL to process and complete the evaluation to the point of making the annual fee determination early in Calendar Year 2000, a vast improvement over the previous year.

2. The process has been further enhanced for FY 1999 by use of compact discs to submit backup documents allowing RL reviewers to go directly to the official RMIS documents.

B 10.5.2 Competition

Noteworthy Results:

1. Performance evaluations of the major subcontractors and the enterprise companies were conducted, and RL was briefed on the results of the evaluations. The evaluations were informative to both FDH and the company under evaluation and resulted in various changes to strengthen customer focus. The extend-compete evaluations were completed and briefed to RL as scheduled. However, with the new management approach to the PHMC, FDH has restructured its entire organization to support the DOE's mission at RL. This was done with the full knowledge of RL's senior management in allowing FDH to chart its own course in succeeding or failing to meet RL's goals.
2. FDH increased competition for new awards to 27 percent, under the set goal of 33 percent. Monthly reports to RL indicated the steps that had been taken and what was planned to assist FDH in achieving the goal. This had a lot of focus in FY 1999, which should be noted in the overall evaluation.
3. Steps were taken by FDH to reinforce established thresholds and approval requirements for non-competitive actions over \$1M and extensions beyond base periods, plus options. No violations have been found to this point.

B 10.5.3 Outsourcing

Noteworthy Results:

Quarterly reports for all the above were provided in support of the Hanford Site Performance Report in accordance with established due dates. At this point 56 percent of the PHMC budget has been outsourced and of that, 68 percent was in awards to local, regional, and/or Native American businesses.

B 10.5.4 Socioeconomic Goals

Noteworthy Results:

FDH negotiated the FY 1999 socioeconomic program goals with RL with agreement reached October 30, 1998. FDH reported socioeconomic award statistics on a monthly basis meeting the requirement for quarterly reporting. Based on yearend statistics, FDH met and exceeded their socioeconomic program goals in each category: Small Business, Woman-Owned Small Business, and Small Disadvantaged Business. Goals were negotiated with the PHMC subcontractors in preparation for the FDH/RL negotiations.

Area for Improvement:

FDH can continue to improve its small business program by contracting with contractors from the Small Business Administration's 8(a) Program.

B 10.5.5 Economic Diversification via Involvement of Community in Contracting Opportunities

Noteworthy Results:

FDH completed the FY 1999 Supplier Advocacy Office Plan and submitted the Plan to RL on December 31, 1998. FDH is an active participant in DOE's Mentor-Protégé Program, with status on implementation of the program being provided in monthly meetings with the Contracting Officer.

B 10.5.6 Subcontract Cost Estimating

Noteworthy Results:

All files subject to the Truth in Negotiations Act were found to be in compliance.

Area for Improvement:

Cost proposals for actions over \$100,000 were not always obtained. Over 20 percent of the files reviewed did not have documentation that demonstrated that prices were fair and reasonable. Less than half of the files indicated the contract specialist did not perform a comparison of actual cost to negotiated cost.

B 10.5.7 Subcontract Administration

Noteworthy Results:

1. FDH successfully recompeted the site safeguards and security subcontract and executed transition from B&W Protec to Protection Technology Hanford without major issues.
1. FDH selected three Architect and Engineering (A&E) firms to join FDNW and COGEMA Engineering Corporation as eligible for A&E task assignments at Hanford.
2. The conduct of a formal performance evaluation by FDH was negotiated into each major subcontract and DynCorp for FY 1999. Fee earned by the Major Subcontractors (MSCs) is contingent upon the results of the evaluations.
3. Using its balanced scorecard 1999 Self-Assessment Plan, FDH developed a Compliance Checklist and used it to perform file reviews of each MSC.
4. In taking the lead in managing the Spent Nuclear Fuel Project, FDH contracting took aggressive role in working with FDNW to definitize the hundreds of open change notices under the construction subcontract for the Canister Storage Building.

Area for Improvement:

FDNW subcontract packages have not been brought to closure. The situation continues to earn an unacceptable rating.

B 11 Project Management

Overall Rating: Excellent

B 11.1 Configuration Management (CM)

Rating: Excellent

Noteworthy Results:

1. FDH completed the combined program review of major subcontractor implementation of the FDH configuration management plan and transmitted the results to DOE-RL on September 30, 1999 (FDH-9957192). The review was completed on time and provided valuable information regarding PHMC implementation of CM requirements.
2. The established drawing metrics have shown steady improvement since July of 1998. The data as of the end of September 1999 indicates that all three of the metric goals continue to be met. The metric for incorporation of work-completed Engineering Change Notices (ECNs) against essential drawings demonstrated noteworthy improvement. Over the last year the number of essential drawings affected has been reduced from 8.8% (495) of the total number of essential drawings, to 0.6% (39) as of the end of September. Additional metric goals for reduction of authorized, but inactive ECNs have been established for FY 2000.
3. The PHMC CM Improvement Team was established and a program execution plan for CM improvement has been developed and initiated. The first two focus areas have commenced and are scheduled for completion by the end of calendar year 1999.

Area for Improvement:

Although focus teams have been initiated, the CM improvement team needs to expedite measurable progress in the identified CM problem areas in the near term. This activity needs tangible progress and continued focus. Potential examples for progress include improved definition of facility baselines (including hierarchy), completion and implementation of an integrated modification change control process, and focus on decreasing the population of old outstanding ECNs.

B 11.2 Engineering and Construction Programs

Rating: Excellent

Noteworthy Results:

1. The percentage of projects within schedule, budget, and in-scope improved from last year to 90.9%, therefore meeting the 90% goal. Improved baseline change control adherence for project L-281, 200W Regional Drainfield, would have allowed 95.5% compliance.
2. FDH's utilization of the work breakdown structures ensures that projects are still needed and supports

the programs. The FY 2000 MYWP submittals to RL have been incorporated into the budget requests, meeting the deliverable element.

3. A&E Pool contractors are in place and major scopes of work have been assigned to new members of the pool. Cost savings are expected with this increased flexibility and resources available to the major subcontractors.
4. HNF-PRO-2000, Construction Program, was issued and provides a project management system incorporating the use of commercial engineering and construction practices.
5. Quarterly project reports in May and July were submitted to RL to support the quarterly price tracking system reports that RL submits to HQ.

Areas for Improvement:

1. FDH needs to provide timely monthly project reports to the RL project engineers. Some of the project engineers still need to specifically request these reports. A systematic distribution process would automatically disseminate them to the RL project engineers.
2. Last year we noted that the early submittal of baseline change requests (BCR) would have improved the project performance to over the 90% goal. Even though this year's compliance was above the goal, the lack of discipline in documenting the cost variance for project L-281 through the BCR process is an indication that this adherence to the procedures is lacking.

B 11.3 Systems Engineering

Rating: Excellent

Noteworthy Results:

1. All System Engineering (SE) products were delivered on schedule and completed ahead of schedule in FY 1999.
2. The Technical Issues Management List has been issued to RL monthly in FY 1999.
3. The year-end accuracy of the Hanford Site Technical Description (HSTD) database was 99%.
4. Site SE has reviewed (FYTD 1999) approximately 100 Baseline Change Requests (BCR's) for impact on the HSTD and Site Technical Baseline. All site level changes resulting from these BCR's have been

incorporated into the HSTD within the required 10-day period.

5. FDH delivered the Hanford Site Environmental Management Specification, DOE-RL 97-55, rev 10 to RL on September 27, 1999.

Area for Improvement:

The Site Technical Specification is not always reflective of current facility baselines; e.g., PFP. The facilities should be more involved to ensure accurate data is reflected in the Site Baseline.

B 11.4 Value Engineering (VE)

Rating: Good

Noteworthy Results:

1. FDH submitted all FY 1999 VE studies to RL within 30 days of the VE completion.
2. FDH documented cost savings of over \$100K per year in improvements of Performance Measurement system implementation and continues to realize savings from studies completed in previous years. VE-generated savings are projected to be in excess of several million dollars; actuals will be documented in the annual report.

Areas for Improvement:

1. The FY 1998 annual VE report was completed but not received until January 15, 1999.
2. A list of potential VE studies to be performed in FY 1999 was not submitted by October 31, 1999.

B 12 Human Resources/Contractor Workforce Programs

Overall Rating: Excellent

B.12.1 Human Resources

Rating: Good

Noteworthy Results:

1. FDH slightly exceeded its commitments established in the Affirmative Action Plan for FY 1999. The completed commitments included success in diversity training of management/staff, establishment of a student employment and outreach education program, active participation of management/staff at diversity commemorative events, development of a targeted recruitment program to address areas of underrepresentation and contributed financial and human resources to organizations that assist females and minorities with career development. Additionally, in FY 1999 FDH was awarded DOE's "EEO/Diversity Award for Commitment" for demonstrating commitment to building a systematic approach to EEO/Diversity.
2. The contractor developed performance expectations for PHMC HR using the "Balanced Scorecard" approach jointly with the major subcontractors.

Areas for improvement:

1. Development of a more diverse recruitment pool of candidates.
2. A more proactive approach and presence by the FDH Management Team at sitewide diversity events is needed.
3. A more effective student employment pipeline to address underrepresentation in numerous job categories is needed.
4. FDH maintained the beginning of FY 1999 percentage of protected classes within the combination of EEO-1 categories where employment selections are not driven by seniority (officials/managers, professionals, office/clerical and technical). The overall rating is reflective of FDH's approach to maintain status quo instead of exceeding expectations during a year where downsizing was not issue. A more effective effort of hiring and promoting a diverse workforce at all levels by FDH needs to transpire.

B 12.2 Labor Relations

Rating: Superior

Noteworthy Results:

1. The contractor modified the Operating and Engineering (O&E) Pension plan for non-represented employees to allow for immediate commencement of vested benefits in a lump sum or monthly annuity. The vesting requirement also shifted from five to three years.
2. The contractor also implemented O&E Investment plan changes that included modifications to the company-employee match formula.
3. With little notice, the contractor successfully transitioned B&W Protec employees back into the PHMC as Protection Technology Hanford employees.
4. The contractor successfully transitioned Duke Northwest (Enterprise) employees back into the PHMC as FDH and Duke Hanford employees.
5. The contractor implemented file scanning for personnel files for more efficient record keeping.
6. As a part of Workforce Management (Worker Transition), the contractor worked jointly with Bechtel Hanford, Inc. to develop contingency plans to accommodate the “people aspect” of the TWRS Reprogramming. Creative programs were developed and comprehensive schedules were prepared to encourage the return of employees who might have been temporarily laid off. Each program and schedule evolved with emerging needs.
7. The contractor also achieved a Workforce Management objective to “transition the profile of the workforce to better support the needs of the Hanford Projects, while developing workers to enhance their value to Hanford and the Community,” through a number of projects. One significant program involved the FDH-HR and FDH-IR effort involving the DynCorp Calibration Services contract.
8. The contractor IR team reached agreement with the Hanford Atomic Metal Trades council (HAMTC) on the March 1999 wage reopener. The reopener extended the contractual relationship with HAMTC to March 31, 2002. Highlights of the settlement include uniform language on 10 and 12-hour shifts, the 8x9s shift as a standard shift, and the HAMTC’s reaffirmation of their commitment to the Craft Alignment Program (CAP).
9. The contractor worked with BHI in the annual negotiations on the Hanford Site Stabilization Agreement. The results of the work include a more flexible document that will result in cost savings for the site.

10. The contractor worked with HAMTC in resolving issues thus significantly reducing the number of grievances. The contractor maintains that much of this effort is attributable to the FDH staff integration with line management.
11. The contractor was able to provide substantial cost avoidance with the settlement of groundwater sampling.
12. The contractor's partnership with HAMTC in the Safety Representative Program has resulted in enhanced employee involvement, improvement of lines of communication and the improvement in the safety culture. This program received recognition from the DOE Deputy Assistant Secretary for Worker Health and Safety, Joseph Fitzgerald.
13. The contractor is working to extend the partnership with the unions by providing a full-time position for HAMTC representative on the FDH Community programs staff and a full-time position for another HAMTC representative to the PHMC Quality Improvement Program initiative.
14. The contractor arranged for Bill Kaczorowski, Director of Field Services of the Building and Construction Trades Department, AFL-CIO, to visit the site in June 1999. Mr. Kaczorowski met with Building Trades personnel in the field, in craft safety committee meetings, and individually with stewards and foremen. This effort enhanced the working relationship already existing between the contractor and the Trades Department. The visit provided an opportunity for the new RL Manager, Keith Klein, to extend his background on labor relations here at Hanford.
15. The Contractor also became involved in a number of process improvement initiatives including the Nuclear Chemical Operator Certification program, which has resulted in increased number of certifications, compared to a year ago.

B 13 Technology Management

Rating: Superior

All expectations were achieved and all deliverables were met in a timely manner and were of very high quality. In many cases, the contractor exceeded expectations by providing major deliverables ahead of time or by initiating new ideas to improve the integration and management of science and technology.

Noteworthy Results:

1. Science and Technology needs were completed ahead of schedule and included both project manager and line program manager signoff. In addition, the Technology Management team initiated a needs assessment/analysis process to look at crosscutting, high priority needs, and is now using a database to track and status needs on a regular basis.
2. FDH-TM made major contributions to the development of the technology insertion point logic and guidance for FY 1999. The most notable achievement is the inclusion of 30 Technology Information Processing Systems in the line program MultiYear Work Plans as RL milestones. This significant accomplishment has laid the groundwork for better integration of S&T into the project baselines.
3. FDH worked with project managers, RL, and Bechtel Hanford Inc., to develop an alternative to the S&T cost savings methodology issued by the Federal Energy Technology Center. The approach developed is based on the Pollution Prevention model. It provides a simple and widely accepted mechanism to track Hanford's return on investment for S&T, but also captures overall contributions technology can make to the clean up effort. This model was used to capture the value of all technologies deployed in FY 1999.
4. FDH broadened organizations/projects actively assessing and applying improved technologies to meet cleanup needs. In addition, FDH coordinated with other site contractors in S&T efforts such as the ground water vadose zone project, 324 B-cell robotics system, canyon disposition initiative, and the Hanford Paths to Closure.
5. FDH exceeded the corporate performance measure for technology deployments. The FY 1999 commitment for the Hanford Site was 12 deployments. Hanford achieved a total of 23 technology deployments, 16 of which were applied on FDH projects.

Areas for Improvement:

1. Further aligning the technology planning process with the project planning process.
2. There are opportunities to expand the application of the cost model utilized this fiscal year to assess the value/benefit derived from technologies and utilize the data to further demonstrate Hanford's contribution to DOE-HQ performance metrics for science and technology.
3. Expand efforts to align technology investments with the areas of highest risk/ technical uncertainty and continue efforts to define new and long-term S&T priorities.

B 14 Economic Transition

Rating: Excellent

Noteworthy Results:

1. Throughout FY 1999, FDH continued to improve its partnering efforts with economic entities in the local area. This performance is a significant improvement over that of past years. Critical to this achievement was a dramatic improvement in the relationship between the Tri-City Industrial Development Council (TRIDEC) and FDH. The TRIDEC president rates FDH's partnering efforts as excellent, particularly FDH's recent "Target Tri-Cities Initiatives," "Target Industry Feasibility Studies," and FDH's construction of a 100,000 square-foot industrial building in the Tri-Cities.

FDH worked to improve the relationship with TRIDEC in the latter part of FY 1997 by hiring a facilitator to uncover areas of disagreement and to resolve differences. This effort led to the significant improvements noted above. Other noteworthy FDH accomplishments that also led to improvement were:

- (1) FDH's full-time loan of an industrial recruiting specialist to assist TRIDEC in industrial recruitment; and
- (2) FDH's drafting of policy/procedure language for DOE/TRIDEC to assist in the transfer of the Personal Property Excess Program from the Port of Benton to TRIDEC.

FDH/Office of Economic Transition (OET) was also successful in aiding other community and business economic development entities, including:

- Ports of Benton, Kennewick, Pasco, Moses Lake, and Walla Walla
- Cities of Richland, Pendleton, Sunnyside, Milton Freewater, Moses Lake, and Umatilla
- Grant County Economic Development Council and Yakima New Vision
- Tri-City Enterprise Association and Columbia Basin Minority Economic Development Association
- HAMMER/Patrol Training Academy

Businesses

- Livingston Rebuild Center – teamed on inland port study
- Westway, Gunderson Northwest, Energy Northwest, Belhaven Applied Technologies – transferred assets to expand their businesses
- DynCorp, MACTEC-Meier, Parsons – outsourced Hanford workscope
- FDNW, LMSI, COGEMA, Waste Management Technical Services, and E2 Consulting Engineers – provided marketing assistance
- B&W Hanford, Lockheed Martin Hanford, Numatec, Waste Management Federal Service, and DynCorp – obtained signed commitments to participate in outreach efforts to support job creation in the community.

FDH discussed partnering progress in the regularly scheduled DOE-RL/MET – FDH/OET monthly meetings and at numerous other times as required.

2. FDH performed well in contributing to the diversification of the local community's economy through re-use of excess and underutilized site assets (i.e., real, personal, and intellectual property). The following are some of the highlights:

- Eleven storage tanks to Westway Trading Corp. (livestock feed);
- sixty-ton gantry crane to Gunderson Northwest (railcar repair);
- three-ton bridge and ¼-ton jib crane to Durametal (brake drum manufacture);
- calibration laboratory equipment to Energy Northwest (electric utility);
- optical collimator and associated equipment to Belhaven (calibration)
- negotiation of an agreement for use of underutilized equipment; and
- video production shop to Lockheed Martin Services, Inc. (communications)

Re-use of these assets has already resulted in and will continue to result in the growth of commercial jobs in the Tri-Cities.

Further, although delayed, FDH/OET developed a quality product in its compilation and publication of a database of excess site real and personal property with economic transition potential. Completion of this listing in conjunction with the transfer of the Personal Property Excess Program from the Port of Benton to TRIDEC has been helpful to TRIDEC in its marketing efforts.

Additionally, FDH/OET actively supported the marketing for Hanford assets by contributing to RL's Reindustrialization initiative. This included the preparation of marketing brochures on 18 Hanford assets. Copies of the brochures were given to TRIDEC for distribution.

Additionally, FDH/OET leveraged PHMC workscope to attract and expand businesses through outsourcing: e.g., calibration services (to Energy Northwest) and architect-engineering services (to Holmes & Narver/DMJM, MACTEC-Meier, and Parsons Infrastructure Technology Group). The Holmes & Narver/DMJM joint venture will bring two new firms to the area. MACTEC-Meier and Parsons will expand their local operations as a result of these contracts.

Finally, in the area of commercialization of intellectual property, FDH acted proactively to execute three new technology transfer agreements with RJ Lee for Hanford developed software.

3. FDH performed excellently, exceeding the 1000 cumulative jobs target by 507.3 jobs. For FY 1999, FDH helped create 987.5 jobs, resulting in a cumulative job total, beginning in FY 1997 of 1,507.3 jobs.

This job total would merit a superior rating; however, some 568 of these are outside the local Tri-Cities area, in the eight-county area surrounding the Hanford Site. Though the criterion for job counting is the eight-county area, the clearly defined focus of FDH's job creation efforts was to be the Tri-Cities area- the area most affected by Hanford's downsizing that began in FY 1994.

The majority of the 568 jobs are attributable to one firm, Sykes Enterprises (430 jobs), located near Milton Freewater, Oregon. This result shows what one relatively modest effort can produce. The location of the firm in the region is a significant plus and will benefit the entire area.

B 15 Safeguards and Security

Rating: Excellent

FDH milestones and deliverables were completed on or ahead of schedule. There were no major concerns with regard to the milestones and deliverables as identified in the FY 1999 Annual Work Plan for Safeguards and Security (SAS).

Noteworthy Results:

1. FDH successfully recompeted the contract for safeguards and security services on the Hanford Site, and Protection Technology Hanford (PTH) was the successful bidder. Transition commenced on January 4, 1999, and PTH assumed the contract duties on March 1, 1999. PTH was also transitioned to an "inside the fence" contract with FDH. All actions and activities by FDH to transition the SAS contract from B&W Protec, Inc. to PTH were conducted in a quality and timely manner. PTH is now challenged to establish a ratified Collective Bargaining Agreement with the Hanford Guards Union. FDH/PTH are also challenged to develop and implement a Hanford Site vehicle safety stop program.
2. The procurement and implementation of explosive detector equipment, which significantly enhances the Richland Operations Office (RL) capabilities to deter and detect threats involving explosives, is a significant accomplishment. Another was the preparation of a very high quality Site Safeguards and Security Plan (SSSP), which has been very well received by DOE Headquarters.
3. During the period, a comprehensive safeguards and security survey was conducted of FDH and its subcontractors, and resulted in an overall rating of satisfactory, which is the highest rating attainable. A significant key to the overall SAS program improvement was the correction of nearly all material control and accountability deficiencies, most importantly the conduct of nuclear material inventories in compliance with DOE Orders.
4. The Independent Oversight Follow-up Review of the SAS Program at the Hanford Site conducted April 19-23, 1999, identified no major concerns in the site's SAS program.
5. FDH/PTH SAS staff completion of 913 workdays without a lost time injury is commendable.

6. PTH provided exceptional support to complete the short-notice Security Awareness Stand-Down directive issued by the Secretary of Energy, on July 29, 1999. The directive required that all 12,000 Hanford employees be given special security and counterintelligence training by the end of August 1999. PTH met this goal with a near 100 percent completion rate. This effort warrants recognition as superior in this area.
7. PTH provided excellent support in meeting all the Personnel Security Assurance Program (PSAP)-related FY 1999 deliverables. Of particular note is the PSAP Refresher Training, which was completed for all PSAP employees, by conducting approximately 42 training sessions.
8. FDH acted promptly in the implementation of General Eugene E. Habiger's direction that DOE security badge access control/inspection procedures be standardized throughout the complex. Procedures were immediately put in place at the Plutonium Finishing Plant (PFP), Material Access Areas, and K-Basins. In addition, FDH has quickly responded to all DOE-HQ requests and was instrumental in supporting a recent visit by General Habiger.
9. Two force-on-force performance tests (FFTF and PFP) and one table top exercise with local law enforcement were planned, conducted, evaluated, and followed up on to validate the Hanford protection program. The performance of FDH and all subcontractors (and particularly Hanford Patrol) in these tests was exemplary.
10. A very high quality adversary vault delay study was performed and provided to RL. This study is the critical key to future cost reductions in the SAS program while at the same time significantly improving the protection of Special Nuclear Material (SNM) at Hanford.
11. FDH and subcontractors continue to perform in a very high quality manner in the program for International Atomic Energy Agency (IAEA) safeguards at Hanford. Without this high quality program, severe criticism of Hanford and the President's important nonproliferation program could occur.
12. The RL Protective Force (Hanford Patrol) personnel captured the top three places in the individual shooting events at the National DOE Security Police Officer (SPO) Training Competition, and a Hanford Patrol SPO was recognized as the DOE-wide SPO of the year for 1999.

13. 186 Hanford Patrol personnel completed the Hanford Site's first Emergency Vehicle Operators Training Course without any safety incidents or injuries. This training is essential in meeting the expectations of the Fresh Pursuit policy.
14. FDH has pro-actively reformatted/developed the FY 2000 Annual Work Plan for SAS.

Areas for Improvement:

1. The invoices submitted by FDH at year-end exceeded the approved Work Breakdown Schedule (WBS) costs. This only manifested itself in the last month of the period. The lack of quality financial and budget reports in general raises concerns requiring management attention.
2. Corrective action on one SAS survey finding involving the measurement of poorly measured plutonium items at PFP has only partially been adequate to date. Corrective action dates of September 1998, December 1998, and March 15, 1999, were not met. However, measurements on 39 items were conducted prior to July 1999. The remaining items are not scheduled for measurement until December 2000.
3. In FY 1999 there was a disturbing increase in security incidents involving classified information. While immediate corrective actions were taken, significant improvement in the protection of classified information is needed.
4. FDH is rated excellent for the period because of its overall program accomplishments, and delivery of services, as well as its proactive approach to resolving the identified issues. The cost reporting concern is an FDH issue that will be given significant emphasis over the upcoming performance-rating period.

B 16 Technical Training and Qualification

Rating: Excellent

FDH performance in the area of technical training has demonstrated a remarkable change in culture from last fiscal year. FDH attacked the performance expectations as soon as the fiscal year started and, in some cases, before. FDH personnel have demonstrated an attitude of openness and trust. It is quite apparent that the training manager is responsible for the remarkable culture change. His skill as a manager and organizational leader is very evident, as the "new culture" has been demonstrated without exception throughout the entire organization.

The FDH Central Training organization has been very effective in integrating training across the PHMC. This was accomplished through numerous site visits and the synergy created from key training meetings, i.e. the Senior Training Manager's Forum, the Facility Training Council, and the Training Review Board. FDH Central Training created an atmosphere of trust, which has created savings through sharing of ideas, techniques, lessons learned, etc. Although this is still an evolving and growing process, the model could and should be applied throughout the PHMC organization.

Noteworthy Results:

1. Maintain a fully trained and qualified workforce.

FDH has closely monitored training and qualifications of PHMC employees, and management appears to have been heavily involved in supporting the effort and accepting their responsibility for the training and qualifications of their personnel. Fluor claims a 98 percent trained and qualified workforce rate for FY 1999. PHMC subcontractors reviewed and revised individual training plans to ensure all training requirements were correctly identified. Controls were put in place to prevent individuals from performing work for which their qualifications had lapsed. Training requirements are now identified in the procedures for developing Statements of Work (SOWs) for the third-tier subcontractors. This initiative must remain a top priority on site to ensure the safety of our workforce.

2. Continuous process improvement of existing training programs.

FDH has completed a single set of Systematic Approach to Training (SAT) procedures, which now must be incorporated into the major subcontractors' implementing procedures. These procedures were written with extensive involvement of training personnel from all facilities ensuring their "buy in" and that the needs of all would be considered and addressed.

The cost variance for the year was a negative 14.1 percent. The G& costs, which FDH Central Training could actually control, were under budget by 5.1 percent. The service pool, which is driven by the projects, was over budget. This was affected significantly by the extra training resulting from the EH-10 Compliance Order. A training matrix system, Integrated Training Electronic Matrix (ITEM) was piloted in September and will replace the Training Matrix System in FY 2000.

An assessment program was implemented in March and 12 formal assessments were performed to support the program.

3. Optimize costs relative to training.

FDH has been instrumental in supporting RL and DOE-HQ in development of a training cost model designed to accurately capture the cost of training, thereby addressing some of the General Accounting Office concerns in this area.

It is recognized that due to funding limitations, FDH is not at the leading edge of WEB-based training delivery. However, FDH has been dedicating significant resources to move as much training to WEB transport as possible within funding constraints. Fourteen courses were converted for Web delivery during FY 1999.

Hanford General Employee Training (HGET) has been converted to web-based training delivery. Implementation is being phased in to clearly identify capable hardware and resolve any network conflicts and security issues. The pilot phase, during which the number of users will be gradually increased, is scheduled for completion at the end of November. At that time access to the web-based training version of HGET will be opened to all users with appropriate workstations. Although this did not fully meet DOE's expectation of availability, DOE recognizes that a significant effort has been made toward achieving the goal of making web-based access to this annual requirement a reality for both on-site and off-site personnel.

Core requirements for Nuclear Chemical Operators were identified and implemented into the Qualification and Training Plan.

The cost of training for the PHMC was more accurately tracked using the training Code of Accounts, which was implemented in October 1998.

Training attendance was optimized as demonstrated by a no-show rate of six percent for FY 1999.

FDH has assessed training costs through the Exitech contract and concluded that a per seat basis for all courses would be beneficial to Hanford customers. FDH has aggressively pursued modification of the Exitech contract to implement a per seat charge. Performance metrics are in place to monitor customer satisfaction, commitment to schedule, and ensure that sessions are booked at the maximum level. These areas have continued to improve over the last half of the year and hopefully will continue to be monitored and improved to ensure quality and cost effectiveness of services.

4. FDH is to be commended for the outstanding effort in hosting the Training Resource and Data Exchange (TRADE) annual meeting in November. FDH was instrumental in restructuring the meeting to a workshop-based format which was well received by DOE-HQ as well as all the participating organizations, both federal and contractor.

Area for Improvement:

One area for improvement for the coming fiscal year is to ensure that the budget for training delivery is sufficient to meet demand, so projects do not continue to incur additional costs which would affect, in turn, their budgets.

B 17 External Affairs

Rating: Excellent

Positive Achievements:

1. FDH support of DOE and Hanford tours continues at an acceptable standard. Support for VIP visits managed by RL-OEA is excellent, in particular with respect to multiple Secretarial and Congressional visits requiring short turnaround times. The FDH tour coordinator has added responsibilities that impact support but does provide reasonable response to DOE's requests for support with routine tours. The program itself lacks financial and enthusiastic management support.
2. FDH Senior Management has been very responsive to requests from Tribal leaders for meetings. This has helped in the development of relationships between DOE and the site. FDH Community Programs staff have always been available and helpful on educational outreach and provided excellent support for this year's Columbia River Exhibition of History Science and Technology (CREHST) Pow-Wow. FDH programmatic staff and managers have been responsive when information was needed for the DOE-RL Indian Nations Program.
3. FDH performance has been excellent in responding to media queries on "breaking" issues with accurate and timely information and responses. Additionally, FDH has done very well in keeping the "broader Hanford perspective" in focus so that information reflects the site correctly and completely.

4. FDH performance in managing Emergency Preparedness information enhancements has been outstanding. Mitigation of Joint Information Center and Emergency Operations Center (EOC) integration deficiencies identified following the 1997 explosion at the Plutonium Reclamation Facility (PRF) resulted in improved performance in FY 1999 as evidenced by zero findings or deficiencies during the graded exercise for the past fiscal year.
5. FDH enhancements to the Hanford REACH sitewide newspaper resulted in a highly visible and very useful communications tool for onsite and stakeholder interested parties. The re-designed masthead improved the overall appearance of the publication. Coverage of site issues has been timely and informative.
6. FDH, through various employee and company involvement programs, has substantially improved the company's visibility in the community.

B 18 Office of Chief Counsel (OCC)

Rating: Excellent

Noteworthy Results:

1. Assisted in successfully assigning the LHMC subcontract and various contractual matters.
2. Minimized outside counsel fees and costs.
3. Obtained successful litigation results in certain matters and effectively used Alternative Dispute Resolution in litigation and environmental matters.
4. Provided required reporting to OCC. Complied with FOIA requirements.

Areas for Improvement:

1. Consistently obtain approvals through required channels for litigation.
2. Appropriately implement settlement strategies and obtain RL approval of settlements prior to executing settlement agreements.
3. Increase FDH's understanding of intellectual property leading to increased invention disclosures.

B 19 Office of the Manager

Overall Rating: Good

B 19.1 Reengineering

Rating: Excellent

Noteworthy Results:

1. Implementation of the Automated Job Hazard Analysis and beginning implementation of the Baseline Requirements Management Process at PFP.
2. The overall implementation and subsequent achievements of Lockheed Martin Hanford Corporation for the DOE Office of River Protection scope of work.
3. Continued implementation of the FDH/DynCorp Business Redesign Plan for infrastructure services. Developing an added \$8 million potential cost savings/avoidance for FY 1999 through FY 2003 added to the prior potential \$60 million costs savings/avoidance.

Areas for Improvement:

1. Much additional work is needed in FY 2000 at PFP to realize the full benefits of reengineering.
2. Appropriate levels of site services and infrastructure in FY 2000 will require additional evaluation and creativity.

B 19.2 Direct-Cost Savings

Rating: Marginal

Deficiencies:

The measurement criteria required the contractor to achieve at least \$21.2 million in costs savings on contract work directly funded, focused on normal operations, to attain “good” performance. Actual total cost savings in FY 1999 was \$17 million. While the contractor made an effort to achieve the targets, the actual number fell short of expectations. (Note: Total cost savings reported for FDH were higher; the \$17 million is based on the definitions in the PEP only. For example, line item savings, indirect savings, and scope deletion savings were excluded for purposes of this expectation).